on March 21; the United States will issue a similar stamp on the opening day of the World Food Congress, June 4. An ambassador's dinner program is planned for March 21 in Washington, to which will be invited the representatives of more than 100 countries that will participate in the World Food Congress, along with the representatives of nongovernmental organizations that are interested in the objectives of the foundation. The program will be featured by a simple menu, speeches on the subject of hunger by important world figures, and musical entertainment. This dinner program is symbolic of similar luncheon and dinner programs to be held throughout the United States by educational, civic, and religious groups during the week. A part of these programs should include a contribution to be given in the name of the freedom-from-hunger campaign to some charitable organization for agricultural projects in the developing countries. This carries out a primary objective of the campaign to promote greater agricultural development in areas of underdevelopment.

There are a number of things which individuals and their organizations can do to participate in this activity. These include:

(a) Provide the use of organizational media to publicize the event and distribute freedom-for-hunger literature among your associates.

(b) Invite the cooperation of local newspapers, radio, and TV and furnish them with material on the event.

(c) Plan an unseen-guest luncheon or dinner program. Consider the hungry people of Latin America, Asia, and Africa as your unseen guests. Have a simple menu (possibly include a national dish from one of those countries), invite a local speaker on the theme of world hunger, set up an exhibit and send a contribution to a favorite charity for overseas development work in the name of the freedom-from-hunger campaign.

(d) Arrange an exhibit in a place frequented by the public.

(e) Use freedom-from-hunger seals and special postmark cancellations for business mailings.

(f) Invite the participation of church, school, business, and industrial groups. Even at home you can set an extra place for an unseen guest.

Above all, let us hope that all individuals shall share in this program by committing themselves to some personal action on behalf of the long-range objectives of the campaign. Whether this action be symbolic or concrete, the success of Freedom From Hunger Week depends upon large-scale individual participation.

Citizens are urged to write to this committee at the following address: American Freedom from Hunger Foundation, Inc., 700 Jackson Place, NW., Washington, D.C.

HARRY W. EDWARDS,
Executive Director.

SENATE

WEDNESDAY, FEBRUARY 20, 1963

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Almighty God, turning to this altar of Thy grace, from all the divisive forces in the world about us, which tear and separate and push apart, we would that Thou shouldst send us out to our differing, and often our difficult work, hoping all things and enduring all things. Save us from giving to the tasks that await us anything less than our truest and best. Deliver us from any failure of self-control and from unworthy words spoken in haste or in passion.

With clear eyes may we see Thee as our Father, our fellows near and far as our neighbors, and ourselves as our brother's keeper.

In that vision splendid of Divine Fatherhood, and of human brotherhood, may we dream our dreams, fashion our lives, enact our laws, build our Nation, and plan our world until this shadowed earth, which is our home, rolls out of the darkness into the light and it is daybreak everywhere.

We ask it in the name of the One who is the light of the world. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, February 19, 1963, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

LIMITATION OF STATEMENTS DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

SENATE PROCEDURE

Mr. MANSFIELD. Mr. President, for the information of the Senate, let me state that I hope that if I am first on my feet at the conclusion of the morning hour, I shall be recognized. I wish to make a statement relative to procedure in the Senate. I assure each and every Senator that the statement will not be directed at any Senator in particular.

The VICE PRESIDENT. Let the Chair state that if the Senator from Montana is on his feet, and if he addresses the Chair, and if the Chair hears the Senator's voice first, the Chair will recognize him.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

BUILDINGS FOR OPERATIONS OF THE BUREAU OF THE MINT

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize the construction and equipping of buildings required in connection with the operations of the Bureau of the Mint (with an accompanying paper); to the Committee on Banking and Currency.

MEDICAL CARE FOR CERTAIN COAST AND GEODETIC SURVEY RETIRED SHIPS' OFFICERS AND CREW MEMBERS AND THEIR DEPENDENTS

A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to provide medical care for certain Coast and Geodetic Survey retired ships' officers and crew members and their dependents, and for other purposes (with accompanying papers); to the Committee on Commerce.

AMENDMENT OF DISTRICT OF COLUMBIA PRACTICAL NURSES' LICENSING ACT

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Practical Nurses' Licensing Act, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

REPORT ON REVIEW OF CERTAIN RELOCATION COSTS INCURRED BY CONTRACTORS WITH THE DEPARTMENT OF DEFENSE AND THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of relocation costs incurred by contractors with the Department of Defense and the National Aeronautics and Space Administration for the recruiting of salaried personnel who terminated employment shortly after they were hired, dated February 1963 (with an accompanying report); to the Committee on Government Operations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the House of Representatives of the State of Washington; to the Committee on Interior and Insular Affairs:

"Whereas our Congresswoman JULIA BUTLER HANSEN has introduced in the 88th Congress a measure designated as H.R. 994 to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal hydroelectric plants in this region and to guarantee consumers of electricity in other regions reciprocal priority; and

"Whereas it is essential that the resources of this State and region be preserved and protected in order to assure the proper economic growth of this section of the Nation and to promote the economic well-being of our citizens; and

"Whereas the abundant hydroelectric power resource of the Pacific Northwest is a major asset to the area and provides assurance for expansion of industrial activity and consequent additional employment opportunity which is vital to needs of our burgeoning population; and

"Whereas proper utilization and development of our resources and economy demands that all possible hydroelectric power be available for such purpose: Now, therefore, be it

"Resolved by the house of representatives, That this body respectfully petitions that the 88th Congress of the United States enact the necessary legislation embodied in H.R. 994 and thereby insure to the peoples of the Pacific Northwest that there will be full and adequate opportunity to properly pro-

mote our resource wealth in the best interest of all the people of this region of the United States; and be it further

"Resolved, That copies of this resolution be transmitted by the chief clerk of the house to the Honorable John F. Kennedy, President of the United States, the President of the U.S. Senate, the Speaker of the House of Representatives, and to each Member of Congress from the State of Washington.

"S. R. HOLCOMB,
"Chief Clerk, House of Representatives."

A resolution of the House of Representatives of the State of Illinois; to the Committee on Finance:

"HOUSE RESOLUTION 32

"Whereas the education of every child in our Nation is an investment in our greatest natural resource, our children; and

"Whereas the schools of our Nation, both public and private, are in great need of financial aid; and

"Whereas direct governmental financial aid to private schools is extremely limited by the Constitution of the United States: Therefore be it

"Resolved by the House of Representatives of the 73d General Assembly of the State of Illinois, That the Congress of the United States of America be hereby memorialized to amend the Internal Revenue Code of 1954 as follows:

"1. Allow each taxpayer an income tax deduction of specified percent of his income for his contributions to educational institutions; except that a deduction shall not be allowed for contributions to any school, or school district or other school boundary which (a) does not meet the minimum management or educational standards set by the State in which the school, or school district or other school boundary is located; or (b) which discriminates in the admission of students on the basis of race or color; or (c) which segregates admitted students on the basis of race or color.

"2. Each taxpayer claiming a deduction for contributions to educational institutions be required (a) to identify each school, or school district or other school boundary, to which contributions were made; (b) to indicate the amount of the contribution to each school, school district or other school boundary; and (c) to enclose a signed receipt from each donee, or a money order receipt identifying the donee as the payee of the order, or a processed check or draft identifying the donee as the payee.

"Resolved further, That copies of this preamble and resolution be forwarded by the Secretary of State to the Speaker of the House of Representatives and the President of the Senate of the present Congress of the United States, and to each Congressman and Senator from the State of Illinois.

"Adopted by the house February 13, 1963.

"JOHN W. LEWIS, Jr.,
"Speaker, House of Representatives.
"FREDRIC B. SELIKE,
"Clerk, House of Representatives"

A resolution of the House of Representatives of the State of Kentucky; to the Committee on Appropriations:

"HOUSE RESOLUTION 14

"Resolution urging Congress to continue support of the tobacco research program at the Agricultural Science Center of the University of Kentucky

"Whereas during 1960 and 1961 there was appropriated and allocated by the general assembly for an agricultural science center at the University of Kentucky and for tobacco research at such center more than $1 million; and

"Whereas the Governor of this Commonwealth subsequently made available an additional $1 million for construction and research at such center; and

"Whereas in 1962 there was appropriated and allocated by the general assembly more than $2 million for construction and research at such center; and

"Whereas the Congress of the United States has appropriated since 1960 more than $200,000 each year to the Agricultural Research Service for tobacco research, a large portion of which has been allocated to the Agricultural Research Center of the University of Kentucky for this project; and

"Whereas tobacco ranks fifth as a crop in terms of income to farm families, and provides the raw material for one of the major industries in the United States; and

"Whereas tobacco taxes contribute approximately $2.5 billion annually to the support of Federal, State, and local governments; and

"Whereas scientific and technical changes have greatly affected American agriculture as a whole, but tobacco has been heretofore neglected in terms of an adequate scientific research program; and

"Whereas extensive construction has already been accomplished at the Agricultural Science Center of the University of Kentucky; new tobacco research is already underway at such center; and such center is now provided and equipped for that purpose with expensive scientific equipment specifically developed for tobacco research, including environmental control units, spectrophotometers, strain gage controls, time lapse cameras, dynamic test machines and precision strain gage load controls; and

"Whereas continuance of the tobacco research program at the Agricultural Science Center of the University of Kentucky would be to the advantage of this Commonwealth and the Nation generally, by avoiding uneconomical duplication of research efforts and expenses incident thereto: Now, therefore, be it

"Resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

"SECTION 1. The Congress of the United States and the Department of Agriculture of the United States are urged to continue their support, through adequate appropriations and allocations, of tobacco research on all kinds of tobacco at the Agricultural Science Center of the University of Kentucky, supplementing appropriations and allocations heretofore made and hereafter to be made by this Commonwealth.

"SEC. 2. The clerk of the house of representatives shall send a copy of this resolution to the presiding officer and chief clerk of each Chamber of the Congress of the United States, to the Secretary of Agriculture of the United States, and to each member of the Kentucky congressional delegation."

A resolution adopted by the Federation of Lithuanian-American R. C. Societies, of Dayton, Ohio, favoring action by the United States to effect the liberation of Lithuania and the other enslaved nations behind the Iron Curtain; to the Committee on Foreign Relations.

REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES—FEDERAL STOCKPILE INVENTORIES

Mr. BYRD of Virginia. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit a report on Federal stockpile inventories as of December 1962. I ask unanimous consent to have the report printed in the RECORD, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

FEDERAL STOCKPILE INVENTORIES, DECEMBER 1962

INTRODUCTION

This is the 37th in a series of monthly reports on Federal stockpile inventories. It is for the month of December 1962.

The report is compiled from official data on quantities and cost value of commodities in these stockpiles submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures by the Departments of Agriculture, Defense, and Health, Education, and Welfare, and the General Services Administration.

The cost value of materials in inventories covered in this report, as of December 1, 1962, totaled $14,439,051,008, and as of December 31, 1962, they totaled $14,351,084,895, a net decrease of $87,966,113 during the month.

Different units of measure make it impossible to summarize the quantities of commodities and materials which are shown in tables 1, 2, 3, and 4, but the cost value figures are summarized by major category, as follows:

Summary of cost value of stockpile inventories by major category

Major category	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month
Strategic and critical materials:			
National stockpile [1]	$5,893,889,000	$5,888,903,600	−$4,985,400
Defense Production Act	1,502,185,400	1,500,603,900	−1,581,500
Supplemental—barter	1,291,140,743	1,298,441,167	+7,300,424
Total, strategic and critical materials [1]	8,687,215,143	8,687,948,667	+733,524
Agricultural commodities:			
Price support inventory	5,321,248,551	5,232,359,708	−88,888,843
Inventory transferred from national stockpile [1]	128,255,426	128,232,289	−23,137
Total, agricultural commodities [1]	5,449,503,977	5,360,591,997	−88,911,980
Civil defense supplies and equipment:			
Civil defense stockpile, Department of Defense	29,561,190	31,228,342	+1,667,152
Civil defense medical stockpile, Department of Health, Education, and Welfare	176,900,698	176,922,589	+21,891
Total, civil defense supplies and equipment	206,461,888	208,150,931	+1,689,043
Machine tools:			
Defense Production Act	2,230,800	2,230,800	
National Industrial Reserve Act	93,639,200	92,162,500	−1,476,700
Total, machine tools	95,870,000	94,393,300	−1,476,700
Total, all inventories	14,439,051,008	14,351,084,895	−87,966,113

[1] Cotton inventory valued at $128,409,100 withdrawn from the national stockpile and transferred to Commodity Credit Corporation for disposal, pursuant to Public Law 87-548, during August 1962.

Detailed tables in this report show each commodity, by the major categories summarized above, in terms of quantity and cost value as of the beginning and end of the month. Net change figures reflect acquisitions, disposals, and accounting and other adjustments during the month.

The cost value figures represent generally the original acquisition cost of the commodities delivered to permanent storage locations, together with certain packaging, processing, upgrading, etc., costs as carried in agency inventory accounts. Quantities are stated in the designated stockpile unit of measure.

The appendix to this report includes program descriptions and statutory citations pertinent to each stockpile inventory within the major categories.

The stockpile inventories covered by the report are tabulated in detail as follows:

Table 1: Strategic and critical materials inventories (all grades), December 1962 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month).

Table 2: Agricultural commodities inventories, December 1962 (showing by commodity net changes during the month in terms of cost value and quantity).

Table 3: Civil defense supplies and equipment inventories, December 1962 (showing by item net changes during the month in terms of cost value and quantity).

Table 4: Machine tools inventories, December 1962 (showing by item net changes during the month in terms of cost value and quantity).

TABLE 1.—*Strategic and critical materials inventories (all grades), December 1962 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*

Commodity	Cost value			Quantity					
	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month	Maximum objective [1]	Excess over maximum objective
Aluminum, metal:									
National stockpile	$487,688,100	$487,680,600	−$7,500	Short ton	1,129,007	1,128,989	−18		
Defense Production Act	427,261,200	429,227,500	+1,966,300	do	843,998	848,115	+4,117		
Total	914,949,300	916,908,100	+1,958,800	do	1,973,005	1,977,104	+4,099	1,200,000	777,104
Aluminum oxide, abrasive grain:									
Supplemental—barter	4,769,582	5,733,750	+964,168	do	16,055	19,288	+3,233	[2]	19,288
Aluminum oxide, fused, crude:									
National stockpile	21,735,100	21,735,100		Short dry ton	200,093	200,093			
Supplemental—barter	22,747,400	22,747,400		do	178,266	178,266			
Total	44,482,500	44,482,500		do	378,359	378,359		200,000	178,359
Antimony:									
National stockpile	20,488,000	20,488,000		Short ton	30,301	30,301			
Supplemental—barter	10,284,225	10,517,931	+233,706	do	17,955	18,353	+398		
Total	30,772,225	31,005,931	+233,706	do	48,256	48,654	+398	70,000	[3]
Asbestos, amosite:									
National stockpile	2,637,600	2,637,600		do	11,705	11,705			
Supplemental—barter	5,046,053	5,200,748	+154,695	do	20,350	20,996	+646		
Total	7,683,653	7,838,348	+154,695	do	32,055	32,701	+646	45,000	[3]
Asbestos, chrysotile:									
National stockpile	3,337,700	3,355,700	+18,000	Short dry ton	6,223	6,222	−1		
Defense Production Act	2,102,600	2,102,600		do	2,348	2,348			
Supplemental—barter	3,934,500	3,934,500		do	5,532	5,532			
Total	9,374,800	9,392,800	+18,000	do	14,103	14,102	−1	11,000	3,102
Asbestos, crocidolite:									
National stockpile	702,100	702,100		Short ton	1,567	1,567			
Supplemental—barter	4,940,263	5,643,177	+702,914	do	18,042	20,841	+2,799		
Total	5,642,363	6,345,277	+702,914	do	19,609	22,408	+2,799	[2]	22,408
Bauxite, metal grade, Jamaica type:									
National stockpile	13,925,000	13,925,000		Long dry ton	879,740	879,740			
Defense Production Act	18,168,000	18,168,000		do	1,370,077	1,370,077			
Supplemental—barter	81,944,171	83,510,509	+1,566,338	do	5,307,758	5,417,576	+109,818		
Total	114,037,171	115,603,509	+1,566,338	do	7,557,575	7,667,393	+109,818	2,600,000	5,067,393
Bauxite, metal grade, Surinam type:									
National stockpile	78,590,600	78,583,200	−7,400	do	4,963,651	4,963,468	−183		
Supplemental—barter	44,809,111	45,364,075	+554,964	do	2,865,690	2,897,166	+31,476		
Total	123,399,711	123,947,275	+547,564	do	7,829,341	7,860,634	+31,293	6,400,000	1,460,634
Bauxite, refractory grade:									
National stockpile	11,347,800	11,347,800		Long calcined ton.	299,279	299,279		137,000	162,279
Beryl:									
National stockpile	9,770,200	9,770,200		Short ton	23,233	23,233			
Defense Production Act	1,425,000	1,425,000		do	2,544	2,544			
Supplemental—barter	22,739,500	22,739,500		do	11,321	11,321			
Total	33,934,700	33,934,700		do	37,098	37,098		23,100	13,998
Beryllium metal:									
Supplemental—barter	8,006,106	8,469,095	+$462,989	do	69	73	+4	[2]	73
Bismuth:									
National stockpile	2,674,300	2,674,300		Pound	1,342,402	1,342,402			
Defense Production Act	52,400	52,400		do	22,901	22,801			
Supplemental—barter	5,515,200	5,515,200		do	2,506,493	2,506,493			
Total	8,241,900	8,241,900		do	3,871,796	3,871,796		3,000,000	871,796
Cadmium:									
National stockpile	21,260,000	21,260,000		do	10,829,640	10,829,640			
Supplemental—barter	12,257,125	12,310,663	+53,538	do	7,416,927	7,448,989	+32,062		
Total	33,517,125	33,570,663	+53,538	do	18,246,567	18,278,629	+32,062	6,500,000	11,778,629

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), December 1962 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity					
	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month	Maximum objective [1]	Excess over maximum objective
Castor oil:									
National stockpile	$55,845,500	$55,663,100	−$182,400	Pound	216,552,323	215,755,283	−797,040	68,000,000	147,755,283
Celestite:									
National stockpile	1,412,300	1,412,300		Short dry ton	28,816	28,816		22,000	6,816
Chromite, chemical grade:									
National stockpile	12,286,800	12,286,800		do	559,452	559,452			
Supplemental—barter	19,920,084	20,200,996	+280,912	do	590,626	608,625	+17,999		
Total	32,206,884	32,487,796	+280,912	do	1,150,078	1,168,077	+17,999	475,000	693,077
Chromite, metallurgical grade:									
National stockpile	264,771,600	264,771,600		do	3,799,182	3,799,182			
Defense Production Act	35,879,900	35,879,900		do	985,646	985,646			
Supplemental—barter	224,021,191	224,616,657	+595,466	do	1,527,272	1,543,109	+15,837		
Total	524,672,691	525,268,157	+595,466	do	6,312,100	6,327,937	+15,837	2,700,000	3,627,937
Chromite, refractory grade:									
National stockpile	25,149,300	25,149,300		do	1,047,159	1,047,159			
Supplemental—barter	5,320,800	5,320,800		do	189,623	189,623			
Total	30,470,100	30,470,100			1,236,782	1,236,782		1,300,000	[2]
Cobalt:									
National stockpile	169,622,900	169,507,900	−115,000	Pound	76,874,632	76,847,933	−26,699		
Defense Production Act	52,076,600	52,076,600		do	25,195,172	25,195,172			
Supplemental—barter	2,169,000	2,169,000		do	1,077,018	1,077,018			
Total	223,868,500	223,753,500	−115,000	do	103,146,822	103,120,123	−26,699	19,000,000	84,120,123
Coconut oil:									
National stockpile	17,593,000	17,591,500	−1,500	do	116,088,033	116,088,033		[2]	116,088,033
Colemanite:									
Supplemental—barter	2,636,400	2,636,400		Long dry ton	67,636	67,636		[2]	67,636
Columbium:									
National stockpile	23,859,700	23,860,400	+700	Pound	7,489,422	7,488,972	−450		
Defense Production Act	50,271,900	50,255,500	−16,400	do	8,273,986	8,222,684	−51,302		
Supplemental—barter	798,900	798,900		do	388,877	388,877			
Total	74,930,500	74,914,800	−15,700	do	16,152,285	16,100,533	−51,752	1,900,000	14,200,533
Copper:									
National stockpile	522,127,800	522,204,700	+76,900	Short ton	1,008,351	1,008,351			
Defense Production Act	63,954,200	63,521,500	−432,700	do	114,222	113,430	−792		
Supplemental—barter	8,242,803	8,242,803		do	12,381	12,381			
Total	594,324,803	593,969,003	−355,800	do	1,134,954	1,134,162	−792	1,000,000	134,162
Cordage fibers, abaca:									
National stockpile	38,165,300	38,291,200	+125,900	Pound	151,759,469	151,852,725	+93,256	150,000,000	1,852,725
Cordage fibers, sisal:									
National stockpile	43,954,800	43,582,600	−372,200	do	323,034,946	321,857,014	−1,177,932	320,000,000	1,857,014
Corundum:									
National stockpile	393,100	393,100		Short ton	2,008	2,008		2,000	8
Cryolite:									
Defense Production Act	8,586,300	8,284,900	−301,400	do	31,095	30,003	−1,092	[2]	30,003
Diamond dies:									
National stockpile	462,800	462,800		Piece	14,998	14,998		25,000	[3]
Diamond, industrial, crushing bort:									
National stockpile	61,609,500	61,609,500		Carat	31,113,411	31,113,411			
Supplemental—barter	15,456,700	15,456,700		do	5,523,748	5,523,748			
Total	77,066,200	77,066,200		do	36,637,159	36,637,159		30,000,000	6,637,159
Diamond, industrial, stones:									
National stockpile	100,047,500	100,501,500	+454,000	do	9,270,894	9,315,183	+44,289		
Supplemental—barter	184,989,603	185,966,660	+997,057	do	15,241,034	15,394,744	+153,710		
Total	285,037,103	286,468,160	+1,431,057	do	24,511,928	24,709,927	+197,999	18,000,000	6,709,927
Diamond tools:									
National stockpile	1,015,400	1,015,400		Piece	64,178	64,178		[2]	64,178
Feathers and down:									
National stockpile	38,846,200	38,851,100	+4,900	Pound	9,376,656	9,376,656		8,800,000	576,656
Fluorspar, acid grade:									
National stockpile	26,167,500	26,167,500		Short dry ton	463,049	463,049			
Defense Production Act	1,394,400	1,394,400		do	19,700	19,700			
Supplemental—barter	33,452,400	33,452,400		do	673,232	673,232			
Total	61,014,300	61,014,300		do	1,155,981	1,155,981		280,000	875,981
Fluorspar, metallurgical grade:									
National stockpile	17,332,400	17,332,400		do	369,443	369,443			
Supplemental—barter	1,508,100	1,508,100		do	42,800	42,800			
Total	18,840,500	18,840,500		do	412,243	412,243		375,000	37,243

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), December 1962 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity					
	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month	Maximum objective [1]	Excess over maximum objective
Graphite, natural, Ceylon, amorphous lump:									
National stockpile	$937,900	$937,900		Short dry ton	4,455	4,455			
Supplemental—barter	341,200	341,200		do	1,428	1,428			
Total	1,279,100	1,279,100		do	5,883	5,883		3,600	2,283
Graphite, natural, Madagascar, crystalline:									
National stockpile	7,125,900	7,121,800	−$4,100	do	34,571	34,551	−20		
Supplemental—barter	64,300	90,736	+26,436	do	585	826	+241		
Total	7,190,200	7,212,536	+22,336	do	35,156	35,377	+221	17,200	18,177
Graphite, natural, other, crystalline:									
National stockpile	1,896,400	1,896,400		do	5,487	5,487		2,100	3,387
Hydrochloride of quinine:									
National stockpile	1,400	1,400		Ounce	103	103		[2]	103
Hyoscine:									
National stockpile	30,600	30,600		do	2,100	2,100		2,100	[3]
Iodine:									
National stockpile	4,082,000	4,082,000		Pound	2,977,648	2,977,648			
Supplemental—barter	1,020,048	1,020,048		do	996,984	996,984			
Total	5,102,048	5,102,048		do	3,974,632	3,974,632		4,300,000	[3]
Iridium:									
National stockpile	2,525,800	2,525,800		Troy ounce	13,937	13,937		4,000	9,937
Jewel bearings:									
National stockpile	3,775,100	3,805,800	+30,700	Piece	51,007,767	51,037,267	+29,500	57,500,000	[3]
Kyanite-mullite:									
National stockpile	833,000	828,700	−4,300	Short dry ton	9,635	9,585	−50	4,800	4,785
Lead:									
National stockpile	319,298,100	319,298,100		Short ton	1,050,370	1,050,370			
Defense Production Act	2,751,100	2,751,100		do	7,262	7,262			
Supplemental—barter	78,127,800	78,127,800		do	327,998	327,998			
Total	400,177,000	400,177,000		do	1,385,630	1,385,630		286,000	1,099,630
Magnesium:									
National stockpile	131,520,500	131,434,200	−86,300	do	181,292	181,052	−240	107,000	74,052
Manganese, battery grade, natural ore:									
National stockpile	21,025,500	21,025,500		do	144,485	144,485			
Supplemental—barter	14,109,137	14,109,137		do	137,671	137,671			
Total	35,134,637	35,134,637		do	282,156	282,156		50,000	232,156
Manganese, battery grade, synthetic dioxide:									
National stockpile	3,095,500	3,095,500		Short dry ton	21,272	21,272			
Defense Production Act	2,523,600	2,523,600		do	3,779	3,779			
Total	5,619,100	5,619,100		do	25,051	25,051		20,000	5,051
Manganese, chemical grade, type A:									
National stockpile	2,133,300	2,133,300		do	29,307	29,307			
Supplemental—barter	7,134,700	7,134,700		do	103,731	103,731			
Total	9,268,000	9,268,000		do	133,038	133,038		30,000	103,038
Manganese, chemical grade, type B:									
National stockpile	132,600	132,600		do	1,822	1,822			
Supplemental—barter	6,833,200	6,833,200		do	99,016	99,016			
Total	6,965,800	6,965,800		do	100,838	100,838		53,000	47,838
Manganese, metallurgical grade:									
National stockpile	248,331,000	248,310,000	−21,000	do	5,852,224	5,852,002	−222		
Defense Production Act	179,460,500	176,710,900	−2,749,600	do	3,109,128	3,056,771	−52,357		
Supplemental—barter	225,437,402	225,693,708	+256,306	do	3,238,648	3,238,648			
Total	653,228,902	650,714,608	−2,514,294	do	12,200,000	12,147,421	−52,579	6,800,000	5,347,421
Mercury:									
National stockpile	20,039,500	20,039,500		Flask	129,525	129,525			
Supplemental—barter	3,446,200	3,446,200		do	16,000	16,000			
Total	23,485,700	23,485,700		do	145,525	145,525		110,000	35,525
Mica, muscovite block:									
National stockpile	27,644,200	27,644,200		Pound	11,626,674	11,626,674			
Defense Production Act	40,860,300	40,888,800	+28,500	do	6,455,232	6,458,384	+3,152		
Supplemental—barter	4,190,527	4,271,120	+80,593	do	1,281,640	1,301,300	+19,660		
Total	72,695,027	72,804,120	+109,093	do	19,363,546	19,386,358	+22,812	8,300,000	11,086,358
Mica, muscovite film:									
National stockpile	9,058,100	9,058,100		do	1,733,083	1,733,083			
Defense Production Act	633,400	633,300	−100	do	102,679	102,679			
Supplemental—barter	842,405	847,015	+4,610	do	86,785	87,285	+500		
Total	10,533,905	10,538,415	+4,510	do	1,922,547	1,923,047	+500	1,300,000	623,047

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), December 1962 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity					
	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month	Maximum objective [1]	Excess over maximum objective
Mica, muscovite splittings:									
National stockpile	$40,598,300	$40,598,300		Pound	40,040,294	40,040,294			
Supplemental—barter	6,225,800	6,225,800		do	4,826,257	4,826,257			
Total	46,824,100	46,824,100		do	44,866,551	44,866,551		21,200,000	23,666,551
Mica, phlogopite block:									
National stockpile	303,600	303,600		do	223,126	223,126		17,000	206,126
Mica, phlogopite splittings:									
National stockpile	2,580,500	2,580,500		do	3,079,062	3,079,062			
Supplemental—barter	1,850,642	1,933,807	+$83,165	do	1,620,989	1,673,878	+52,889		
Total	4,431,142	4,514,307	+83,165	do	4,700,051	4,752,940	+52,889	1,700,000	3,052,940
Molybdenum:									
National stockpile	89,184,400	89,184,400			84,062,802	84,062,802		59,000,000	25,062,802
Nickel:									
National stockpile	182,098,800	182,004,400	−94,400	do	334,513,624	334,354,431	−159,193		
Defense Production Act	105,144,900	105,068,800	−76,100	do	112,224,789	112,080,269	−144,520		
Total	287,243,700	287,073,200	−170,500	do	446,738,413	446,434,700	−303,713	323,000,000	123,434,700
Opium:									
National stockpile	13,661,700	13,661,700		do	195,757	195,757		172,800	22,957
Palladium:									
National stockpile	2,079,000	2,079,000		Troy ounce	89,811	89,811			
Defense Production Act	177,300	177,300		do	7,884	7,884			
Supplemental—barter	12,170,200	12,170,200		do	648,124	648,124			
Total	14,426,500	14,426,500		do	745,819	745,819		340,000	405,819
Palm oil:									
National stockpile	5,148,200	5,148,200		Pound	28,604,089	28,604,089		[2]	28,604,089
Platinum:									
National stockpile	56,879,900	56,879,900		Troy ounce	716,343	716,343			
Supplemental—barter	4,024,500	4,024,500		do	49,999	49,999			
Total	60,904,400	60,904,400		do	766,342	766,342		165,000	601,342
Pyrethrum:									
National stockpile	415,000	415,000		Pound	66,188	66,188		66,000	188
Quartz crystals:									
National stockpile	69,625,500	69,625,500		do	5,647,292	5,647,292			
Supplemental—barter	3,128,684	3,128,684		do	232,252	232,252			
Total	72,754,184	72,754,184		do	5,879,544	5,879,544		650,000	5,229,544
Quinidine:									
National stockpile	2,160,800	2,103,200	−57,600	Ounce	1,873,377	1,823,377	−50,000	1,600,000	223,377
Quinine:									
National stockpile	4,828,400	4,828,400		do	7,633,732	7,633,732		[2]	7,633,732
Rare earths:									
National stockpile	7,134,900	7,134,900		Short dry ton	10,042	10,042			
Supplemental—barter	5,489,859	5,534,532	+44,673	do	5,739	6,042	+303		
Total	12,624,759	12,669,432	+44,673	do	15,781	16,084	+303	5,700	10,384
Rare earths residue:									
Defense Production Act	657,800	657,800		Pound	6,085,570	6,085,570		[2]	6,085,570
Rhodium:									
National stockpile	78,100	78,100		Troy ounce	621	621		[2]	621
Rubber:									
National stockpile	805,534,800	802,216,200	−3,318,600	Long ton	1,041,745	1,037,438	−4,307	750,000	287,438
Ruthenium:									
Supplemental—barter	559,500	559,500		Troy ounce	15,001	15,001		[2]	15,001
Rutile:									
National stockpile	2,070,100	2,070,100		Short dry ton	18,599	18,599			
Defense Production Act	2,725,100	2,725,100		do	17,592	17,592			
Supplemental—barter	1,061,300	1,061,300		do	11,632	11,632			
Total	5,856,500	5,856,500		do	47,823	47,823		65,000	[3]
Sapphire and ruby:									
National stockpile	190,000	190,000		Carat	16,187,500	16,187,500		18,000,000	[3]
Selenium:									
National stockpile	757,100	757,100		Pound	97,100	97,100			
Supplemental—barter	1,070,500	1,070,500		do	156,518	156,518			
Total	1,827,600	1,827,600		do	253,618	253,618		400,000	[3]
Shellac:									
National stockpile	8,940,000	8,898,900	−41,100	do	17,832,134	17,750,722	−81,412	7,400,000	10,350,722
Silicon carbide, crude:									
National stockpile	11,394,500	11,394,500		Short ton	64,697	64,697			
Supplemental—barter	26,789,200	26,792,300	+3,100	do	131,805	131,805			
Total	38,183,700	38,186,800	+3,100	do	196,502	196,502		100,000	96,502

See footnotes at end of table.

TABLE 1.—*Strategic and critical materials inventories (all grades), December 1962 (showing by commodity net changes during the month in terms of cost value and quantity, and excesses over maximum objectives in terms of quantity as of the end of the month)*—Continued

Commodity	Cost value			Quantity					
	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1962	End of month Dec. 31, 1962	Net change during month	Maximum objective [1]	Excess over maximum objective
Silk noils and waste:									
National stockpile	$3,431,900	$3,263,500	−$168,400	Pound	2,378,456	2,271,365	−107,091	970,000	1,301,365
Silk, raw:									
National stockpile	486,600	486,600		do	113,515	113,515		120,000	[3]
Sperm oil:									
National stockpile	4,775,400	4,775,400		do	23,442,158	23,442,158		23,000,000	442,158
Talc, steatite block and lump:									
National stockpile	498,700	498,700		Short ton	1,278	1,279	+1	300	979
Talc, steatite ground:									
National stockpile	231,000	231,000		do	3,901	3,901		[2]	3,901
Tantalum:									
National stockpile	10,906,200	10,905,500	−700	Pound	3,423,404	3,422,879	−525		
Defense Production Act	9,734,400	9,734,400		do	1,531,366	1,531,366			
Supplemental—barter	21,100	21,100		do	8,036	8,036			
Total	20,661,700	20,661,000	−700	do	4,962,806	4,962,281	−525	2,420,000	2,592,281
Thorium:									
Defense Production Act	42,000	42,000		do	848,574	848,574			
Supplemental—barter	14,948,922	15,205,216	+256,294	do	7,002,237	7,163,937	+161,700		
Total	14,990,922	15,247,216	+256,294	do	7,850,811	8,012,511	+161,700	[2]	8,012,511
Tin:									
National stockpile	827,367,600	826,192,300	−1,175,300	Long ton	340,268	339,785	−483		
Supplemental—barter	16,404,000	16,404,000		do	7,505	7,505			
Total	843,771,600	842,596,300	−1,175,300	do	347,773	347,290	−483	185,000	162,290
Titanium:									
Defense Production Act	176,804,000	176,804,000		Short ton	22,456	22,456			
Supplemental—barter	32,121,600	32,122,100	+500	do	9,021	9,021			
Total	208,925,600	208,926,100	+500	do	31,477	31,477		[2]	31,477
Totaquine:									
National stockpile	4,853,800	4,853,800		Ounce	7,654,196	7,654,196		[2]	7,654,196
Tungsten:									
National stockpile	369,129,300	369,129,300		Pound	120,072,509	120,072,509			
Defense Production Act	319,498,500	319,498,500		do	78,367,948	78,367,948			
Supplemental—barter	18,630,900	18,628,900	−2,000	do	5,765,752	5,765,752			
Total	707,258,700	707,256,700	−2,000	do	204,206,209	204,206,209		50,000,000	154,206,209
Vanadium:									
National stockpile	31,604,200	31,604,200		do	15,758,802	15,758,802		2,000,000	13,758,802
Vegetable tannin extract, chestnut:									
National stockpile	11,967,700	11,967,700		Long ton	42,895	42,895		30,000	12,895
Vegetable tannin extract, quebracho:									
National stockpile	49,374,900	49,374,900		do	199,557	199,557		180,000	19,557
Vegetable tannin extract, wattle:									
National stockpile	9,992,400	9,992,400		do	39,618	39,618		39,000	618
Zinc:									
National stockpile	364,131,100	364,131,100		Short ton	1,256,012	1,256,012			
Supplemental—barter	79,587,900	79,587,900		do	323,895	323,895			
Total	443,719,000	443,719,000		do	1,579,907	1,579,907		178,000	1,401,907
Zirconium ore, baddeleyite:									
National stockpile	710,600	710,600		Short dry ton	16,533	16,533		[2]	16,533
Zirconium ore, zircon:									
National stockpile	457,700	419,000	−38,700	do	7,735	7,082	−653	[2]	7,082
Total:									
National stockpile	5,893,889,000	5,888,903,600	−4,985,400						
Defense Production Act	1,502,185,400	1,500,603,900	−1,581,500						
Supplemental—barter	1,291,140,743	1,298,441,167	+7,300,424						
Total, strategic and critical materials	8,687,215,143	8,687,948,667	+733,524						

[1] Maximum objectives for strategic and critical materials are determined pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h). The present objectives represent quantities of materials estimated to be necessary in the event of a 3-year war in which oversea sources would not be available.

[2] No present objective.

[3] Not in excess of maximum objective.

Source: Compiled from reports submitted by the General Services Administration and the Department of Agriculture.

TABLE 2.—*Agricultural commodities inventories, December 1962 (showing by commodity net changes during the month in terms of cost value and quantity)*

Commodity	Cost value			Quantity			
	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month
Price-support inventory:							
Basic commodities:							
Corn	$1,240,765,701	$1,213,494,128	−$27,271,573	Bushel	1,068,585,536	1,044,325,049	−24,260,487
Cotton, extra-long staple	4,350,336	4,350,336		Bale	15,865	15,865	
Cotton, upland	810,591,207	810,530,191	−61,016	do	4,689,181	4,688,689	−492
Peanuts, farmers' stock	89,003	1,438,503	+1,349,500	Pound	885,063	14,118,584	+13,233,521
Peanuts, shelled	5,474,568	4,903,967	−570,601	do	26,571,788	23,839,014	−2,732,774
Rice, milled	847,218	748,926	−98,292	Hundredweight	85,534	75,581	−9,953
Rice, rough	95,130	95,130		do	18,641	18,641	
Wheat	2,045,888,711	2,034,726,416	−11,162,295	Bushel	1,050,384,574	1,044,992,557	−5,392,017
Wheat flour	27,876	344,767	+316,891	Pound	500,000	6,000,000	+5,500,000
Bulgur	835,671	811,726	−23,945	do	15,054,500	14,721,700	−332,800
Total, basic commodities	4,108,965,421	4,071,444,090	−37,521,331				
Designated nonbasic commodities:							
Barley	24,785,240	24,275,664	−509,576	Bushel	28,789,293	28,208,176	−581,117
Grain sorghum	637,511,554	616,721,967	−20,789,587	do	597,469,078	579,266,082	−18,202,996
Honey	130,438	130,868	+430	Pound	1,041,466	1,045,076	+3,610
Milk and butterfat:							
Butter	238,488,409	207,118,200	−31,370,209	do	402,983,632	350,791,487	−52,192,145
Butter oil	17,456,683	38,957,025	+21,500,342	do	21,594,595	48,339,956	+26,745,361
Cheese	44,031,392	41,788,549	−2,242,843	do	117,609,230	111,587,560	−6,021,670
Ghee		598,857	+598,857	do		737,188	+737,188
Milk, dried	106,145,831	99,111,757	−7,034,074	do	704,021,825	662,458,995	−41,562,830
Oats	9,477,107	9,219,597	−257,510	Bushel	15,789,921	15,352,061	−437,860
Rye	1,125,100	1,001,744	−123,356	do	1,119,095	984,004	−135,091
Total, designated nonbasic commodities	1,079,151,754	1,038,924,228	−40,227,526				
Other nonbasic commodities:							
Beans, dry, edible	9,103,603	5,997,718	−3,105,885	Hundredweight	1,304,493	893,290	−411,203
Cottonseed oil, refined	1,014,923	1,014,923		Pound	8,339,550	8,339,550	
Soybeans	92,688,637	87,433,158	−5,255,479	Bushel	38,911,401	36,710,649	−2,200,752
Turpentine	907,639	907,639		Gallon	1,729,744	1,729,744	
Vegetable oil products	29,416,574	26,637,952	−2,778,622	Pound	160,592,145	145,204,004	−15,388,141
Total, other nonbasic commodities	133,131,376	121,991,390	−11,139,986				
Total, price support inventory	5,321,248,551	5,232,359,708	−88,888,843				
Inventory transferred from national stockpile: [1]							
Cotton, Egyptian	103,890,050	103,890,050		Bale	122,973	122,973	
Cotton, American-Egyptian	24,365,376	24,342,239	−23,137	do	48,443	48,397	−46
Total, inventory transferred from national stockpile	128,255,426	128,232,289	−23,137	do	171,416	171,370	−46
Total, agricultural commodities	5,449,503,977	5,360,591,997	−88,911,980				

[1] Transferred from General Services Administration pursuant to Public Law 85-96 and Public Law 87-548. (See Appendix p. 2592.)

Source: Compiled from reports submitted by the Department of Agriculture.

TABLE 3.—*Civil defense supplies and equipment inventories, December 1962 (showing by item net changes during the month in terms of cost value and quantity)*

Item	Cost value			Quantity			
	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month
Civil defense stockpile, Department of Defense:							
Engineering equipment (engine generators, pumps, chlorinators, purifiers, pipe, and fittings).	$10,081,391	$10,072,050	−$9,341	10-mile units	45	45	
Chemical and biological equipment	1,868,978	1,867,884	−1,094	(1)			
Radiological equipment	17,610,821	19,288,408	+1,677,587	(1)			
Total	29,561,190	31,228,342	+1,667,152				
Civil defense medical stockpile, Department of Health, Education, and Welfare:							
Medical bulk stocks, and associated items at civil defense mobilization warehouses.	131,298,403	131,681,633	+383,230	(1)			
Medical bulk stock at manufacturer locations	5,449,502	5,449,502		(1)			
Civil defense emergency hospitals	38,180,119	38,138,459	−41,660	Each	1,930	1,930	
Replenishment units (functional assemblies other than hospitals).	1,972,674	1,652,995	−319,679	(1)			
Total	176,900,698	176,922,589	+21,891				
Total, civil defense supplies and equipment	206,461,888	208,150,931	+1,689,043				

[1] Composite group of many different items.

Source: Compiled from reports submitted by the Department of Defense and the Department of Health, Education, and Welfare.

TABLE 4.—*Machine tools inventories, December 1962 (showing by item net changes during the month in terms of cost value and quantity)*

Item	Cost value			Quantity			
	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month	Unit of measure	Beginning of month, Dec. 1, 1962	End of month, Dec. 31, 1962	Net change during month
Defense Production Act:							
In storage		$43,600	+$43,600	Tool		11	+11
On lease	$2,187,900	2,144,300	−43,600	do	103	103	
On loan	42,900	42,900		do	7	7	
Total	2,230,800	2,230,800		do	110	121	+11
National Industrial Reserve Act:							
In storage	87,467,700	84,244,100	−3,223,600	do	8,125	7,721	−404
On lease	27,500	27,500		do	1	1	
On loan to other agencies	763,800	1,865,300	+1,101,500	do	39	187	+148
On loan to school programs	5,380,200	6,025,600	+645,400	do	1,309	1,420	+111
Total	93,639,200	92,162,500	−1,476,700	do	9,474	9,329	−145
Total, machine tools	95,870,000	94,393,300	−1,476,700	do	9,584	9,450	−134

Source: Compiled from reports submitted by the General Services Administration.

APPENDIX

STRATEGIC AND CRITICAL MATERIALS

National stockpile

The Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h) provides for the establishment and maintenance of a national stockpile of strategic and critical materials. The General Services Administration is responsible for making purchases of strategic and critical materials and providing for their storage, security, and maintenance. These functions are performed in accordance with directives issued by the Director of the Office of Emergency Planning. The act also provides for the transfer from other Government agencies of strategic and critical materials which are excess to the needs of such other agencies and are required to meet the stockpile objectives established by OEP. In addition, the General Services Administration is responsible for disposing of those strategic and critical materials which OEP determines to be no longer needed for stockpile purposes.

General policies for strategic and critical materials stockpiling are contained in DMO V–7, issued by the Director of the Office of Emergency Planning and published in the Federal Register of December 19, 1959 (24 F.R. 10309). Portions of this order relate also to Defense Production Act inventories.

Defense Production Act

Under section 303 of the Defense Production Act (50 U.S.C. App. 2093) and Executive Order 10480, as amended, the General Services Administration is authorized to make purchases of or commitments to purchase metals, minerals, and other materials, for Government use or resale, in order to expand productive capacity and supply, and also to store the materials acquired as a result of such purchases or commitments. Such functions are carried out in accordance with programs certified by the Director of the Office of Emergency Planning.

Supplemental—Barter

As a result of a delegation of authority from OEP (32A C.F.R., ch. I, DMO V–4) the General Services Administration is responsible for the maintenance and storage of materials placed in the supplemental stockpile. Section 206 of the Agricultural Act of 1956 (7 U.S.C. 1856) provides that strategic and other materials acquired by the Commodity Credit Corporation as a result of barter or exchange of agricultural products, unless acquired for the national stockpile or for other purposes, shall be transferred to the supplemental stockpile established by section 104 (b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704 (b)). In addition to the materials which have been or may be so acquired, the materials obtained under the programs established pursuant to the Domestic Tungsten, Asbestos, Fluorspar, and Columbium-Tantalum Production and Purchase Act of 1956 (50 U.S.C App. 2191–2195), which terminated December 31, 1958, have been transferred to the supplemental stockpile, as authorized by the provisions of said Production and Purchase Act.

AGRICULTURAL COMMODITIES

The price-support program

Price-support operations are carried out under the charter powers (15 U.S.C. 714) of the Commodity Credit Corporation, Department of Agriculture, in conformity with the Agricultural Act of 1949 (7 U.S.C. 1421), the Agricultural Act of 1954 (7 U.S.C. 1741), which includes the National Wool Act of 1954, the Agricultural Act of 1956 (7 U.S.C. 1442), the Agricultural Act of 1958 and with respect to certain types of tobacco, in conformity with the act of July 28, 1945, as amended (7 U.S.C. 1312). Under the Agricultural Act of 1949, price support is mandatory for the basic commodities—corn, cotton, wheat, rice, peanuts, and tobacco—and specific nonbasic commodities; namely, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Under the Agricultural Act of 1958, as producers of corn voted in favor of the new price-support program for corn authorized by that act, price support is mandatory for barley, oats, rye, and grain sorghums. Price support for wool and mohair is mandatory under the National Wool Act of 1954, through the marketing year ending March 31, 1966. Price support for other nonbasic agricultural commodities is discretionary except that, whenever the price of either cottonseed or soybeans is supported, the price of the other must be supported at such level as the Secretary determines will cause them to compete on equal terms on the market. This program may also include operations to remove and dispose of or aid in the removal or disposition of surplus agricultural commodities for the purpose of stabilizing prices at levels not in excess of permissible price-support levels.

Price support is made available through loans, purchase agreements, purchases, and other operations, and, in the case of wool and mohair, through incentive payments based on marketings. The producer's commodities serve as collateral for price-support loans. With limited exceptions, price-support loans are nonrecourse, and the Corporation looks only to the pledged or mortgaged collateral for satisfaction of the loan. Purchase agreements generally are available during the same period that loans are available. By signing a purchase agreement, a producer receives an option to sell to the Corporation any quantity of the commodity which he may elect within the maximum specified in the agreement.

The major effect on budgetary expenditures is represented by the disbursements for price-support loans. The largest part of the commodity acquisitions under the program result from the forfeiting of commodities pledged as loan collateral for which the expenditures occurred at the time of making the loan, rather than at the time of acquiring the commodities.

Dispositions of commodities acquired by the Corporation in its price-support operations are made in compliance with sections 202, 407, and 416 of the Agricultural Act of 1949, and other applicable legislation, particularly the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691), title I of the Agricultural Act of 1954, title II of the Agricultural Act of 1956, the Agricultural Act of 1958, the act of August 19, 1958, in the case of cornmeal and wheat flour, and the act of September 21, 1959, with regard to sales of livestock feed in emergency areas.

Inventory transferred from national stockpile

This inventory, all cotton, was transferred to Commodity Credit Corporation at no cost from the national stockpile pursuant to Public Law 85–96 and Public Law 87–548. The proceeds from sales, less costs incurred by CCC, are covered into the Treasury as miscellaneous receipts; therefore, such proceeds and costs are not recorded in the operating accounts. The cost value as shown for this cotton has been computed on the basis of average per bale cost of each type of cotton when purchased by CCC for the national stockpile.

CIVIL DEFENSE SUPPLIES AND EQUIPMENT

Civil defense stockpile

The Department of Defense conducts this stockpiling program pursuant to section 201(h) of Public Law 920, 81st Congress, as amended. The program is designed to provide some of the most essential materials to minimize the effects upon the civilian population which would be caused by an attack upon the United States. Supplies and equipment normally unavailable, or lacking in quantity needed to cope with such conditions, are stockpiled at strategic locations in a nationwide warehouse system consisting of general storage facilities.

Civil defense medical stockpile

As authorized under Public Law 920, 81st Congress, and following the intent of Reorganization Plan No. 1, 1958, the Director, Office of Emergency Planning, has delegated responsibility to the Department of Health, Education, and Welfare to plan and direct operation of the medical supply portion of the OEP stockpile. The warehousing of the medical stockpile is principally within the OEP warehouse system; in addition, the

medical stockpile includes a program designed to preposition emergency hospitals and other treatment units in communities throughout the Nation.

MACHINE TOOLS

Defense Production Act

Under section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and Executive Order 10480, as amended, the General Services Administration has acquired machine tools in furtherance of expansion of productive capacity, in accordance with programs certified by the Director of the Office of Emergency Planning.

National industrial equipment reserve

Under general policies established and directives issued by the Secretary of Defense, the General Services Administration is responsible for care, maintenance, utilization, transfer, leasing, lending to nonprofit schools, disposal, transportation, repair, restoration, and renovation of national industrial reserve equipment transferred to GSA under the National Industrial Reserve Act of 1948 (50 U.S.C. 451–462).

STATEMENT BY SENATOR BYRD OF VIRGINIA

STRATEGIC AND CRITICAL MATERIALS

The cost value of strategic and critical materials stockpiled by the Federal Government was increased by $733,524 during December 1962, from $3,687,215,143 to $3,687,948,667.

So-called strategic and critical materials are stored by the Government in the national stockpile, the Defense Production Act inventory, and the supplemental-barter stockpile.

The President, on January 31, 1962, said excesses in the inventories of strategic and critical materials should be reduced. Net changes in these inventories during the 11-month period, February–December 1962, as officially reported in terms of cost value, are summarized as follows:

Cost value of strategic and critical materials

[In thousands of dollars]

	National stockpile	Federal Facilities Corporation	Defense Production Act	Supplemental barter	Total
Feb. 1	$6,083,482	$1,634	$1,480,120	$1,176,510	$8,741,746
Mar. 1	6,075,719	63	1,478,301	1,189,097	8,743,180
Apr. 1	6,069,095	----------	1,478,640	1,201,299	8,749,034
May 1	6,062,257	----------	1,486,663	1,218,991	8,767,911
June 1	6,058,394	----------	1,491,717	1,234,152	8,784,264
July 1	6,049,619	----------	1,495,847	1,246,547	8,792,012
Aug. 1	6,047,092	----------	1,495,287	1,256,260	8,798,739
Sept. 1	[1] 5,913,739	----------	1,498,966	1,265,035	[1] 8,677,740
Oct. 1	5,909,021	----------	1,501,697	1,271,674	8,682,353
Nov. 1	5,901,018	----------	1,502,591	1,283,684	8,687,294
Dec. 1	5,893,889	----------	1,502,185	1,291,141	8,687,215
Dec. 31	5,888,904	----------	1,500,604	1,298,441	8,687,949
Net change, Feb. 1–Dec. 31	[1] −194,578	−1,634	+20,484	+121,931	[1] −53,797

[1] Reflects transfer of $128,409,100 of cotton to agricultural commodities category.

Under Public Law 87–548 cotton valued at $128 million was withdrawn from the national stockpile of strategic and critical materials and transferred to the Commodity Credit Corporation for disposal. This transfer was made during August 1962, and the cotton is now shown in this report as a separate inventory under agricultural commodities.

Since January 31, 1962, when the President said there should be reduction, the cost value of materials in strategic and critical inventories has been increased by $74.6 million exclusive of a technical decrease resulting from the transfer of the cotton inventory out of the national stockpile in August.

The supplemental-barter program had net increases in every month during the 11-month period, February–December 1962 for a total of $121.9 million. There was a net increase of $20.5 million in the DPA program inventory which showed increases in every month during the period except February, July, November, and December.

Increases in the supplemental-barter inventories have far more than offset net decreases of $66.2 million in the national stockpile (excluding the cotton transfer in August) during the 11-month period, February–December 1962.

MAXIMUM OBJECTIVES

Overall there are now 95 materials stockpiled in the strategic and critical inventories. Maximum objectives—in terms of volume—are presently fixed for 76 of these 95 materials. Of these 76 materials 66 were stockpiled in excess of maximum objectives, as of February 1; 65 were stockpiled in excess of maximum objectives, as of March 1; 65 were stockpiled in excess of maximum objectives, as of April 1; 65 were stockpiled in excess of maximum objectives, as of May 1; 66 were stockpiled in excess of maximum objectives, as of June 1; 66 were stockpiled in excess of maximum objectives, as of July 1; 66 were stockpiled in excess of maximum objectives, as of August 1; 65 were stockpiled in excess of maximum objectives, as of September 1; 65 were stockpiled in excess of maximum objectives, as of October 1; 65 were stockpiled in excess of maximum objectives, as of November 1; 65 were stockpiled in excess of maximum objectives, as of December 1; and 65 were stockpiled in excess of maximum objectives, as of December 31.

From March 1 to May 1 the number of materials in excess of objectives was reduced by only one—cordage fibers (sisal)—which again during May was reported to be over its objective. In August hyoscine was brought within its objective, reducing the number of materials in excess of objectives to 65.

For the 65 materials stockpiled in excess of objectives, excesses have been increased during the 11 month period (February–December) in 24 materials, decreased in 26 materials, and they have remained unchanged in 15 of these materials.

Materials in which excesses over objectives have been increased substantially in volume since February include various forms of bauxite, manganese, chrome and mica, industrial diamonds, lead, nickel, and bismuth. Materials in which excess over objectives have been substantially reduced since February include rubber, castor oil, feathers and down, and silk noils and waste.

OTHER FEDERAL STOCKPILES

In addition to so-called strategic and critical items, the Federal Government stockpiles other materials, including agricultural commodities, machine tools, and civil defense supplies and equipment.

The cost value of materials stockpiled in these inventories on December 31 totaled $5,663,136,228. On December 1, they totaled $5,751,835,965. The increase during December was $88,699,637.

The total cost value of all materials in all of these stockpiles, including the strategic and critical materials inventories, on December 31 was $14,351,084,895 as compared with a total of $14,439,051,008 on December 1. The overall net decrease during December was $87,966,113.

Increases and decreases in the cost value of Federal stockpile inventories during December, as compiled by the Joint Committee on Reduction of Nonessential Federal Expenditures from official reports, are summarized as follows:

Major categories	Cost value, December 1962	
	Net change during month	Total, end of month
Strategic and critical materials	+$733,524	$3,687,948,667
Agricultural commodities	−88,911,980	5,360,591,997
Civil defense supplies and equipment (under Departments of Defense and Health, Education, and Welfare)	+1,689,043	208,150,931
Machine tools (under Defense Production Act and National Industrial Reserve Act)	−1,476,700	94,393,300
Total, all inventories	−87,966,113	14,351,084,895

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance:

James W. Culliton, of Indiana, to be a member of the U.S. Tariff Commission;

Gaspard d'Andelot Belin, of Massachusetts, to be General Counsel for the Department of the Treasury;

John C. Bullitt, of New Jersey, to be an Assistant Secretary of the Treasury;

John G. Green, of Wisconsin, to be collector of customs for customs collection district No. 36, with headquarters at Duluth, Minn.-Superior, Wis.;

Frank A. Sedita, of New York, to be collector of customs for customs collection district No. 9, with headquarters at Buffalo, N.Y.;

John M. Lynch, of Massachusetts, to be collector of customs for customs collection district No. 4, with headquarters at Boston, Mass.; and

Jack Beaty, of New Mexico, to be a member of the Renegotiation Board.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JAVITS (for himself, Mr. KEATING, Mr. CASE, Mr. HART, and Mr. KUCHEL):

S. 861. A bill to provide for the general welfare by assisting the States, through a program of grants-in-aid, to establish and operate special hospital facilities for the treatment and cure of narcotic addicts; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS (for himself, Mr. KEATING, Mr. KEFAUVER, Mr. KUCHEL, Mr. CASE, Mr. SCOTT, and Mr. HART):

S. 862. A bill to provide that, for purposes of certain studies, investigations, and demonstrations authorized with respect to mental illness under the Public Health Service Act, addiction to narcotics be considered as a mental illness; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING (for himself, Mr. JAVITS, Mr. CASE, Mr. KUCHEL, and Mr. SCOTT):

S. 863. A bill to amend chapter 5, section 402 of title 18, United States Code, to make the Federal Youth Corrections Act applicable to certain persons who violate the Federal narcotics statutes; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING (for himself, Mr. JAVITS, Mr. CASE, Mr. KUCHEL, Mr. HART, and Mr. SCOTT):

S. 864. A bill to enable the courts more effectively to deal with the problems of narcotic addiction; to the Committee on the Judiciary.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. SYMINGTON (for himself and Mr. SALTONSTALL):

S. 865. A bill to provide for the establishment of the National Academy of Foreign Affairs, and for other purposes; to the Committee on Foreign Relations.

(See the remarks of Mr. SYMINGTON when he introduced the above bill, which appear under a separate heading.)

By Mr. PROUTY:

S. 866. A bill for the relief of Enrico Petrucci; to the Committee on the Judiciary.

By Mr. ALLOTT:

S. 867. A bill for the relief of Mike Mizokami, Sam Mizokami, Tom Mizokami, and Hatsuyo Mizokami; to the Committee on the Judiciary.

By Mr. ANDERSON:

S. 868. A bill to extend for 1 year the authority to insure mortgages under section 809 of the National Housing Act; to the Committee on Banking and Currency.

By Mrs. NEUBERGER:

S. 869. A bill to authorize the burial of certain news correspondents in national cemeteries; to the Committee on Interior and Insular Affairs.

(See the remarks of Mrs. NEUBERGER when she introduced the above bill, which appear under a separate hearing.)

By Mr. MUNDT:

S. 870. A bill for the relief of Martha Huber Vavra; to the Committee on the Judiciary.

By Mr. BIBLE:

S. 871. A bill to provide for increased Federal Government participation in meeting the costs of maintaining the Nation's Capital City and to authorize Federal loans to the District of Columbia for capital improvement programs; to the Committee on the District of Columbia.

S. 872. A bill to compensate range users for authorized range improvements where land is taken to be devoted to Federal nonmilitary use; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BIBLE when he introduced the above bills, which appear under separate headings.)

By Mr. BIBLE (for himself and Mr. CANNON):

S. 873. A bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the County of Lincoln, State of Nevada; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. ROBERTSON (by request):

S. 874. A bill to authorize the construction and equipping of buildings required in connection with the operations of the Bureau of the Mint; to the Committee on Banking and Currency.

By Mr. BENNETT:

S. 875. A bill for the relief of Joaquin Gil-Carrasco; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

DETERMINATION OF THE UNITED STATES WITH RESPECT TO GENERAL DISARMAMENT AND ARMS CONTROL

Mr. CURTIS submitted a concurrent resolution (S. Con. Res. 21) expressing the determination of the United States with respect to the matter of general disarmament and arms control, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. CURTIS, which appears under a separate heading.)

PROPOSED LEGISLATION RELATING TO MEDICAL AND LEGAL TREATMENT OF NARCOTICS ADDICTS

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, two bills which, along with those introduced by my colleague [Mr. KEATING] and other Senators, constitute our package of proposals to deal at the Federal level with the grave national problem of drug addiction. As attorney general of the State of New York, the seriousness of the problem, especially in the New York City area, where there is the greatest concentration of narcotics addicts, and the need for a concerted attack upon it were strongly impressed upon me. Since that time, the needs have become even more urgent.

Early in the 87th Congress, as the result of studies and recommendations made by leading law-enforcement and public-health officials, my colleague, the Senator from New York [Mr. KEATING] and I and other Senators introduced two of the bills being reintroduced today. The Narcotic Addict Hospital Facilities Act, S. 1693 in the 87th Congress, would establish a new Federal-State program for the construction and operation of narcotic hospital facilities and for the provision of technical assistance to the States. Up to 75 percent of construction costs would be provided, to be distributed among the States in proportion to each State's share of the addicts in the Nation. Operating grants made available under the bill would cover 60 percent of operating costs of such hospitals or similar State facilities meeting the requirements of the act. In order to be eligible for assistance, the States would be required to establish an adequate after-care program, to be financed wholly by the State. This bill is now being reintroduced by me, with Senators KEATING, CASE, HART, and KUCHEL as cosponsors.

The civil commitment bill, S. 1694 in the 87th Congress, being reintroduced by my colleague, the Senator from New York [Mr. KEATING] and myself, along with other Senators, is a companion measure to permit the civil commitment of narcotic addicts to the custody of the Surgeon General so long as the addicts are not charged with an offense involving the sale or other transfer of narcotics and so long as other provisions are met.

Later in the 87th Congress we introduced S. 3098, to provide a research supplement to the large-scale program for treatment and civil commitment of narcotics addicts represented by the first two measures. This measure makes it clear that the already existing federally aided research program in the field of mental health is applicable to research in narcotics addiction. Under this program, grants up to 100 percent may be made to State and local agencies, laboratories, and other such public or nonprofit agencies and institutions and to individuals for investigations, experiments, demonstrations, studies, and research projects. This bill is now being reintroduced by me with Senators KEATING, KEFAUVER, KUCHEL, CASE, SCOTT, and HART as cosponsors.

Finally, the fourth measure, being introduced by my colleague, the Senator from New York [Mr. KEATING], in which I am very happy to join along with other Senators, deals with the subject of treatment of narcotics offenders under the Youth Offenders Act.

The totality of the proposed legislation reflects our concern for the magnitude of this grave national problem of drug addiction. The recent White House Conference on Narcotics Addiction, which my colleague, the Senator from New York [Mr. KEATING], and I long advocated and which was finally held last September, helped to bring this problem to public attention and underscored the need for urgent action.

Existing techniques for dealing with narcotics addiction are grossly inadequate. Research in narcotics addiction is also inadequate. There is growing acceptance of the premise that narcotics addiction—apart from selling or pushing—is the manifestation of a disease more than it is a crime. The States of New York and California have pioneered in establishing enlightened programs of medical and legal treatment of addicts. But the problem is a national one, with tremendous impact on our crime rates and whole social structure and with serious consequences to the youth of the Nation. The excellent efforts of the States cannot be fully effective, as Gov. Nelson Rockefeller stated most emphatically at the White House Conference, unless joined by the Federal Government, which historically has taken the lead in laws regarding narcotics addiction.

The VICE PRESIDENT. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. JAVITS. I note that the White House Conference has not published a report as yet but that the President on January 18 issued an Executive order creating an Advisory Commission on Narcotic and Drug Abuse. The Commission is under the order required to submit its final report to the President by November 1, 1963, and the relevant executive departments are required to submit to the Commission their legislative recommendations by February 28, 1963. I welcome the development of the Commission as a constructive outgrowth of the White House Conference, but I very much hope that this will not further delay the consideration by the Congress of the bills now being introduced.

I ask unanimous consent that the bills I am now sending to the desk be printed in the RECORD at this point in my remarks and that they lie on the desk for 10 days so that other Members who may wish to join in sponsorship may do so.

The VICE PRESIDENT. The bills will be received and appropriately referred; and will lie on the desk as requested by the Senator from New York, and, without objection, the bills will be printed in the RECORD.

The bills, introduced by Mr. JAVITS (for himself and other Senators), were received, read twice by their titles, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

By Mr. JAVITS (for himself, Mr. KEATING, Mr. CASE, Mr. HART, and Mr. KUCHEL):

S. 861. A bill to provide for the general welfare by assisting the States, through a program of grants-in-aid, to establish and operate special hospital facilities for the treatment and cure of narcotic addicts.

"Whereas narcotic addiction not only produces ruinous effects upon those who are its victims, but constitutes a grave menace to the public morals, health, safety, and welfare; and

"Whereas in recent years there has occurred a marked increase in the incidence of narcotic addiction in the United States; and

"Whereas addicted individuals tend to be drawn into traffic in illicit drugs and to induce others to become addicts, thus causing the incidence of narcotics addiction to grow markedly; and

"Whereas hospitalization of narcotic addicts serves as a type of quarantine and thus prevents the spread of narcotic addiction among those whom they might otherwise influence to become addicts; and

"Whereas, with timely and proper hospitalization and treatment and with proper posthospital rehabilitation services, many addicts may be restored to healthful and socially useful lives; and

"Whereas existing hospital facilities for the treatment of narcotic addicts are inadequate in size and number to meet present and future needs; and

"Whereas the Federal Government has a major responsibility with respect to the problem of narcotic addiction in the United States due to the fact that (a) the Federal Government has exclusive jurisdiction over the regulation of imports into the United States, (b) most narcotic addiction in the United States is heroin addiction, and (c) all heroin in the United States is imported from abroad; and

"Whereas the Federal Government, through the establishment and operation of special narcotic hospitals and through the enactment of laws governing the importation, exportation, production, handling, sale, and distribution of narcotic drugs, has long recognized the problem of narcotic addiction as being national in scope and thus a problem with respect to which the Federal Government bears a major responsibility; and

"Whereas, in order to more effectively combat the problem of narcotic addiction in the United States, the States should be encouraged and assisted by the Federal Government in establishing and operating needed hospital facilities for the treatment and cure of narcotic addicts: Now, therefore,

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Narcotic Addict Hospital Facilities Act'.

"FINDINGS OF FACT AND DECLARATION OF POLICY

"SEC. 2. (a) The Congress finds that, in order to protect the public morals, health, and safety and to promote the general welfare, it is necessary that greater stress be placed on the medical, as distinguished from the penal, approach to solving the problem of narcotic addiction, and that addicts be temporarily removed from the community and placed in special hospitals where they can be cured of their addiction and rehabilitated into useful members of society.

"(b) It is, therefore, the policy of the Federal Government to encourage and assist the States in constructing and operating special hospital facilities for the care, treatment, and rehabilitation of individuals suffering from narcotic addiction.

"SEC. 3. (a) In order to carry out the policy expressed in section 2 of this Act, the Public Health Service Act is amended by adding at the end thereof the following new title:

" 'TITLE VIII—CONSTRUCTION AND OPERATION OF HOSPITAL FACILITIES FOR NARCOTIC ADDICTS

" '*Declaration of purpose*

" 'SEC. 801. The purpose of this title is—

" '(a) to financially assist the several States in the construction of special hospital facilities for the care, treatment, and rehabilitation of narcotic addicts;

" '(b) to financially assist the several States in the operation of such special hospital facilities; and

" '(c) to furnish technical assistance to the several States in designing, locating, constructing, and operating such special hospital facilities.

" '*Authorization of appropriations*

" 'SEC. 802. (a) In order to assist the States in carrying out the purposes of section 801 (a), there is hereby authorized to be appropriated for the fiscal year ending June 30, 1963, the sum of $, for the fiscal year ending June 30, 1964, the sum of $, and for each succeeding fiscal year the sum of $. The sums appropriated pursuant to this section shall be used for making payments to States which have submitted, and had approved by the Surgeon General, State plans for carrying out the purposes of section 801(a).

" '(b) There are hereby authorized to be appropriated each fiscal year such sums as may be necessary to assist the States in carrying out the purposes of subsections (b) and (c) of section 801 for such year.

" 'ADVISORY COMMITTEE ON HOSPITAL FACILITIES FOR NARCOTIC ADDICTS

" 'SEC. 803. (a) There is hereby created in the Public Health Service an Advisory Committee on Hospital Facilities for Narcotic Addicts (hereinafter referred to as the "Advisory Committee"), consisting of the Surgeon General, who shall be Chairman, and the Federal Commissioner of Narcotics and the Director of the Federal Bureau of Prisons, who shall be ex officio members, and eight members appointed by the Surgeon General, with the approval of the Secretary, without regard to the civil service laws. The appointed members shall be selected from outside the Federal Government and shall be eminent in fields relating to treatment for drug addiction, such as psychology, psychiatry, medicine, law enforcement, and hospital administration. Each appointed member of the Advisory Committee shall hold office for a term of four years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of office of the members first taking office shall expire, as designated by the Surgeon General at the time of appointment, two at the end of the first year, two at the end of the second year, two at the end of the third year, and two at the end of the fourth year after the date of appointment.

" '(b) It shall be the duty of the Advisory Committee to advise, consult with, and make recommendations to the Surgeon General on matters relating to the administration of this title, and to conduct studies and investigations, initiate programs, and review proposals submitted to it, with respect to the cause, prevention, and methods of diagnosis and treatment of, drug addiction. The Advisory Committee shall meet as frequently as the Surgeon General deems necessary, but not less than twice each year. Upon request by three or more members, it shall be the duty of the Surgeon General to call a meeting of the Advisory Committee.

" '(c) The Advisory Committee shall make an annual report of its findings, studies, and recommendations to the Secretary and the Surgeon General, and such additional reports, from time to time, as the Surgeon General shall deem necessary.

" '(d) Appointed members of the Advisory Committee, while attending meetings of the Advisory Committee or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary, but not exceeding $50 per diem, and shall also be entitled to receive an allowance for actual and necessary travel and subsistence expenses while so serving away from their places of residence.

" '(e) The Advisory Committee shall be provided by the Secretary with such technical, consultative, clerical, and other assistance as the Advisory Committee shall require, subject to the approval of the Secretary.

" '*General regulations*

" 'SEC. 804. Within six months after the enactment of this title, the Surgeon General, with the approval of the Advisory Committee on Drug Addiction and the Secretary, shall by general regulations prescribe—

" '(a) general standards of construction and equipment for hospital facilities for narcotic addicts,

" '(b) general standards of care and treatment to be provided to patients in hospitals for narcotic addicts, and

" '(c) general standards of posthospital care and rehabilitation services to be provided to narcotic addicts mandatorily committed to State hospitals.

" '*State plans*

" 'SEC. 805. (a) After the regulations referred to in section 804 have been issued, any State desiring to secure financial assistance under this title in the construction of special hospital facilities for the care, treatment, and rehabilitation of narcotic addicts may submit a State plan for carrying out the purposes of section 801(a), and any

State desiring to secure financial assistance under this title to defray the costs of operating of such hospital facilities may submit a State plan for carrying out the purposes of section 801(b). Any such State plan must—

"'(1) designate a single State agency as the sole agency for the administration of the plan, or designate such agency as the sole agency for supervising the administration of the plan;

"'(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) hereof will have authority sufficient to carry out such plan in conformity with this title;

"'(3) provide for financial participation by the State;

"'(4) provide such methods of administration (including methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Surgeon General shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Surgeon General to be necessary for the proper and efficient operation of the plan;

"'(5) provide that the State agency will make such reports, in such form and containing such information, as the Surgeon General may from time to time require, and comply with such provisions as the Surgeon General may from time to time find necessary to assure the correctness and verification of such reports;

"'(6) contain evidence satisfactory to the Surgeon General that the laws of such State provide procedures under which narcotic addicts can be mandatorily committed to hospitals for narcotic addicts;

"'(7) provide for the furnishing to narcotic addicts mandatorily committed to State hospitals of posthospital care and rehabilitation services in conformity with standards established by the Surgeon General pursuant to section 804(c);

"'(8) in the case of a State plan to carry out the purposes of section 801(a), set forth a hospital construction program which (A) is based on the need in such State of special hospital facilities for the care, treatment, and rehabilitation of narcotic addicts, and (B) conforms with the regulations prescribed by the Surgeon General under section 804(a);

"'(9) provide minimum standards (to be fixed in the discretion of the State) for the maintenance and operation of hospitals which receive Federal aid under this title; and

"'(10) in the case of a State plan to carry out the purposes of section 801(a), provide that the State will from time to time review its construction program of special hospital facilities for narcotic addicts and submit to the Surgeon General any modifications thereof which it considers necessary.

"'(b) The Surgeon General shall approve any State plan and any modification thereof which complies with the provisions of subsection (a). If any such plan or modification thereof shall have been disapproved by the Surgeon General for failure to comply with subsection (a), the Advisory Committee shall, upon request of the State agency, afford it an opportunity for hearing. If such Committee determines that the plan or modification thereof complies with the provisions of subsection (a), the Surgeon General shall thereupon approve such plan or modification.

"'(c) No changes in a State plan shall be required within two years after initial approval thereof, or within two years after any change thereafter required therein, by reason of any change in the regulations prescribed pursuant to section 804, except with the consent of the State, or in accordance with further action by the Congress.

"'ALLOTMENTS TO STATES

"'SEC. 806. Each State for which a State plan to carry out the purposes of section 801(a) has been approved prior to or during a fiscal year shall be entitled for such year to an allotment of a sum which bears the same ratio to the sums authorized to be appropriated pursuant to section 802(a) for such year as the number of narcotic addicts in such State (as determined by the Surgeon General pursuant to section 810) bears to the number of narcotic addicts in the United States (as so determined). The amount of the allotment to a State shall be available, in accordance with the provisions of this title, for payment of the Federal share (as defined in section 811(a)) of the cost of approved projects within such State. The Surgeon General shall calculate the allotments to be made under this section and notify the Secretary of the Treasury of the amounts thereof. Sums allotted to a State for a fiscal year for construction and remaining unobligated at the end of such year shall remain available to such State for such purpose for the next fiscal year (and for such year only), in addition to the sums allotted for such State for such next fiscal year. Any amount of the sum authorized to be appropriated for a fiscal year which is not appropriated for such year, or which is not allotted in such year by reason of the failure of any State or States to have plans approved under this title, and any amount allotted to a State but remaining unobligated at the end of the period for which it is available to such State, is hereby authorized to be appropriated for the next fiscal year in addition to the sum otherwise authorized under section 802.

"'Approval of projects and payments for construction

"'SEC. 807. (a) For each project for construction pursuant to a State plan to carry out the purposes of section 801(a) approved under this title, there shall be submitted to the Surgeon General through the State agency an application by the State or a political subdivision thereof. Such application shall set forth (1) a description of the site for such project; (2) plans and specifications therefor in accordance with the regulations prescribed by the Surgeon General under section 804(a); (3) reasonable assurance that title, as defined in section 811(f), to such site is or will be vested in the State or a political subdivision thereof; (4) reasonable assurance that adequate financial support will be available for the construction of the project and for its maintenance and operation when completed; and (5) reasonable assurance that the rates of pay for laborers and mechanics engaged in construction of the project will be not less than the prevailing local wage rates for similar work as determined in accordance with Public Law 403 of the Seventy-fourth Congress, approved August 30, 1935, as amended. The Surgeon General shall approve such application if sufficient funds to pay the Federal share of the cost of construction of the project are available from the allotment to the State, and if the Surgeon General finds (A) that the application contains such reasonable assurance as to title, financial support, and payment of prevailing wages; (B) that the plans and specifications are in accordance with the regulations prescribed pursuant to section 804(a); (C) that the application is in conformity with the State plan approved under section 805(b); and (D) that it has been approved and recommended by the State agency. No application shall be disapproved until the Surgeon General has afforded the State agency an opportunity for a hearing.

"'(b) Upon approving an application under this section, the Surgeon General shall certify to the Secretary of the Treasury an amount equal to the Federal share of the estimated cost of construction of the project and designate the appropriation from which it is to be paid. Such certification shall provide for payment to the State. Upon certification by the State agency, based upon inspection by it, that work has been performed upon a project, or purchases have been made, in accordance with the approved plans and specifications, and that payment of an installment is due to the State, the Surgeon General shall certify such installment for payment by the Secretary of the Treasury; except that if the Surgeon General, after investigation or otherwise, has ground to believe that a default has occurred requiring action pursuant to section 809 he may, upon giving notice of hearing pursuant to such section, withhold certification pending action based on such hearing.

"'(c) Amendment of any approved application shall be subject to approval in the same manner as an original application. Certification under subsection (b) may be amended, either upon approval of an amendment of the application or upon revision of the estimated cost of a project. An amended certification may direct that any additional payment be made from the applicable allotment for the fiscal year in which such amended certification is made.

"'(d) The funds paid under this section for the construction of an approved project shall be used solely for carrying out such project as so approved.

"'(e) If any hospital for which funds have been paid under this section (other than a hospital which the Surgeon General has certified as no longer needed for the care, treatment, and rehabilitation of narcotic addicts) shall at any time within ten years after the completion of construction, cease to be operated and maintained by the State or a political subdivision thereof as a hospital for the care, treatment, and rehabilitation of narcotic addicts, the United States shall be entitled to recover from the State an amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the district court of the United States for the district in which such hospital is situated) of so much of the hospital as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction of such project or projects.

"'Payments with respect to costs of operation

"'SEC. 808. (a) From the sums appropriated pursuant to section 802(b) to carry out the purposes of section 801(b) for any fiscal year, the Secretary of the Treasury shall pay in quarterly installments to each State which has a State plan to carry out the purposes of section 801(b) approved pursuant to section 805(b) prior to or during such quarter (1) an amount equal to three-fifths of the cost incurred by the State (or any political subdivision thereof) in the operation of hospitals for narcotic addicts which are operated in compliance with the State plan and in accordance with the regulations prescribed by the Surgeon General under sections 804 (b) and (c); plus (2) an amount equal to one-half of the total of the sums expended during such year as found necessary by the Surgeon General for the proper and efficient administration of the State plan.

"'(b)(1) The Surgeon General shall, prior to the beginning of each quarter of any fiscal year, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection, and stating the amount appropriated or made available by the State for such expenditures in such

quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such other investigations as the Surgeon General may find necessary.

"'(2) The Surgeon General shall then certify to the Secretary of the Treasury the amount so estimated by the Surgeon General (A) reduced or increased, as the case may be, by any sum by which the Surgeon General finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State under subsection (a) for such quarter.

"'(c) The Secretary of the Treasury shall thereupon pay to the State, at the time or times fixed by the Surgeon General, the amount so certified.

"'(d)(1) In the case the Surgeon General finds that the operation of the hospitals for narcotic addicts by any State is not in compliance with the State plan (as approved by him under this title or is not in accordance with the regulations prescribed by him under sections 804 (b) and (c), he shall notify the State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury under this section with respect to such State.

"'(2) If the State is dissatisfied with any action of the Surgeon General under this section, it may appeal such action in the manner provided by section 809(b).

"'Withholding of certification

"'SEC. 809. (a) Whenever the Surgeon General, after reasonable notice and opportunity for hearing to the State agency designated in accordance with section 805(a)(1), finds (1) that the State agency is not complying substantially with the provisions required by section 805(a), or by regulations prescribed pursuant to section 804(a), to be contained in its plan submitted under section 805(a) to carry out the purposes of section 801(a); or (2) that any funds have been diverted from the purposes for which they have been allotted or paid, or (3) that any assurance given in an application filed under section 807 is not being or cannot be carried out, or (4) that there is a substantial failure to carry out plans and specifications approved by the Surgeon General under section 807, or (5) that adequate State funds are not being provided annually for the direct administration of the State plan, the Surgeon General may forthwith notify the Secretary of the Treasury and the State agency that no further certification will be made for any project or projects designated by the Surgeon General as being affected by the default, as the Surgeon General may determine to be appropriate under the circumstances; and, except with regard to any project for which the application has already been approved and which is not directly affected by such default, he may withhold further certification until there is no longer any failure to comply, or, if compliance is impossible, until the State repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

"'(b)(1) If the Surgeon General refuses to approve any application under section 807, the State agency, or if any State is dissatisfied with the Surgeon General's action under subsection (a) of this section, such State may appeal to the United States court of appeals for the circuit in which such State is located by filing with such court a notice of appeal. The jurisdiction of the court shall attach upon the filing of such notice. A copy of the notice of appeal shall be forthwith transmitted by the clerk of the court to the Surgeon General, or any officer designated by him for that purpose. The Surgeon General shall thereupon file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

"'(2) The findings of fact by the Surgeon General, unless substantially contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Surgeon General to take further evidence, and the Surgeon General may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence.

"'(3) The court shall have jurisdiction to affirm the action of the Surgeon General or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in sections 346 and 347 of title 28, United States Code.

"'Determination of size of addict population

"'SEC. 810. Prior to the expiration of six months after the date of enactment of this title and between July 1 and August 31 of each succeeding odd-numbered year the Surgeon General shall, on the basis of surveys conducted by him and on the basis of other information available to him, determine the number of narcotic addicts residing in each State and the number of narcotic addicts residing in the United States. Any determination made by the Surgeon General pursuant to the preceding sentence shall be conclusive, for purposes of section 806, until the next such determination is made. For the purposes of this section the term "United States" includes Puerto Rico, Guam, the Virgin Islands, and the District of Columbia.

"'Definitions

"'SEC. 811. For purposes of this title—

"'(a) The term "Federal share", with respect to any project, means the portion of the cost of construction of such project to be paid by the Federal Government, and such portion shall be equal to 75 per centum of the cost of construction of such project;

"'(b) The term "State" includes Puerto Rico, Guam, the Virgin Islands, and the District of Columbia;

"'(c) The term "hospital" includes related facilities such as laboratories, hospital equipment, and nurses' home facilities;

"'(d) The term "construction" includes work camps and similar establishments, as well as construction of new buildings, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings (including medical transportation facilities); and includes architect's fees and the cost of acquisition of the land:

"'(e) The term "cost of construction" means the amount found by the Surgeon General to be necessary for the construction of a project; and

"'(f) The term "title", when used with reference to a site for a project, means a fee simple, or such other estate or interest (including a leasehold on which the rental does not exceed 4 per centum of the value of the land) as the Surgeon General finds sufficient to assure for a period of not less than fifty years undisturbed use and possession for the purposes of construction and operation of the project.

"'(g) In case only a portion of a new or existing building is to be used for hospital purposes, the term "project", when used in relation to the construction of hospital facilities pursuant to this title, shall refer only to that portion of the building to be so used.

"'Authorization for compacts between States

"'SEC. 812. (a) The consent and approval of the Congress is hereby granted to any two or more States to enter into agreements for the joint construction, operation, and use of special hospital facilities for the care, treatment, and rehabilitation of narcotic addicts.

"'(b) Funds appropriated pursuant to section 802 and available (upon compliance with the conditions provided by the preceding provisions of this title) to each of the States which are parties to any such agreement shall, if the agreement so provides, be pooled and made available for the construction and operation of joint hospital facilities constructed and operated pursuant to such agreement to the same extent and upon the same conditions as such funds are, or would (upon compliance with such conditions) be made available to each of such States individually, except that—

"'(1) only the State in which such facilities are (or are to be) located shall be required to submit plans required under section 805(a); and

"'(2) the plans submitted by such State shall, for purposes of any conditions, requirements, or limitations with respect to assistance furnished under the preceding provisions of this title, be deemed to constitute the State plans of all the States which are parties to such agreement insofar as assistance to such joint facilities is concerned.'

"SEC. 4. (a) Section 1 of the Public Health Service Act is amended to read as follows:

"'SHORT TITLE

"'SECTION 1. Titles I to VIII, inclusive, of this Act may be cited as the "Public Health Service Act".'"

"(b) The Act of July 1, 1944 (58 Stat. 682), as amended, is further amended by renumbering title VIII (as in effect prior to the enactment of this Act) as title IX, and by renumbering sections 801 through 814 (as in effect prior to the enactment of this Act), and references thereto, as sections 901 through 914, respectively."

By Mr. JAVITS (for himself, Mr. KEATING, Mr. KEFAUVER, Mr. KUCHEL, Mr. CASE, Mr. SCOTT, and Mr. HART):

S. 862. A bill to provide that, for purposes of certain studies, investigations, and demonstrations authorized with respect to mental illness under the Public Health Service Act, addiction to narcotics be considered as a mental illness.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 303 of the Public Health Service Act is amended by adding at the end thereof the following new sentence: 'As used in clause (2) of this subsection, the term "mental illness" includes addiction to narcotics and the terms "mentally ill" and "mentally ill persons" include narcotic addicts'."

Mr. JAVITS. In conclusion, I firmly believe that the medical treatment of narcotics addiction is one of the major reforms we can make in our country. Although I do not believe we can adopt the British scheme of administering narcotics to addicts, we may try that as an experiment in order to see whether it will work. In my view the medical commitment approach, along with hospitalization, aftercare, and expanded research, as dealt with by this group of bills, are the only way in which we can come abreast of this critical problem, which has its main impact in an absolutely alarming and sensational increase in the crime rates of New York, where such addicts are concentrated, Los Angeles, and other cities of the United States.

Mr. KEATING. Mr. President, I am very pleased to join with my distinguished colleague in offering proposed legislation dealing with the serious problem of drug addiction. I send to the desk

two bills for appropriate reference introduced by myself and cosponsored by Senators JAVITS, CASE, KUCHEL, and SCOTT, on the first measure, and by Senators JAVITS, CASE, KUCHEL, HART, and SCOTT on the other.

Of the four bills we offer today, three are similar to measures introduced during the last session. One, which would authorize civil commitment of noncriminal addicts under certain conditions, received the unqualified endorsement of the Department of Justice. Unfortunately, however, no reports were submitted on the other two measures.

The fourth bill, which is an addition to the package, was suggested by Chief Judge William F. Smith of the Third Circuit U.S. Court of Appeals, the Chairman of the Judicial Conference Committee on Criminal Law. It deals specifically with youthful narcotics addicts and would give Federal judges more discretion in dealing with such cases.

The State of New York which is reported to be the home of 47 percent of all the addicts in the nation, does have a special concern with this problem. But this is a matter of national as well as local concern since no State alone can prevent the spread of this scourge or can be responsible for preventing the importation and distribution of drugs in the United States. New York has adopted many important measures in this field, but its efforts will be largely nullified unless they are supplemented by dynamic action at the Federal level.

Addiction is both a crime breeder and a health menace, as well as a personal disaster to each individual and family contaminated by it. As is well known, its incidence is particularly acute among the youth of our cities. According to a survey made at the Federal Hospital at Lexington, Ky., for example, 45 percent of their patients began using drugs before their 19th birthday. Its impact is not confined to young people, however. Men and women of all ages and backgrounds have been its victims and the cost to society, both morally and financially, has been enormous.

No one engaged in the drug traffic deserves special consideration. The importers and the pushers must be dealt with severely by fully applying all the criminal penalties at our command, and the civil commitment bill, of which I am the sponsor, in no way changes the present high mandatory penalties for pushers and sellers. Mandatory and inflexible procedures, however, are not effective or appropriate for the person whose sole offense is addiction. Society can best protect itself in these cases by a program of isolation, treatment, and rehabilitation rather than punishment. Experts tell us that a short period of confinement in a hospital, followed by a strictly controlled program of aftercare in the community, affords the best method of rehabilitation. That in essence, is what the civil commitment bill would permit.

At the present time, mere possession of narcotics is punishable by imprisonment for a minimum of 2 years for the first offense, 5 years for the second offense, and 10 years for the third offense. The civil commitment bill would introduce a provision for suspending prosecution of addicts under the Federal act pending the completion of the program of hospitalization and aftercare. If the treatment were unsuccessful, the prosecution would be reinstated. Society has nothing to lose. It can only gain by the rehabilitation of many valuable young people.

It is worthy of consideration that it costs Federal authorities approximately $2,000 to keep one addict in prison for 1 year, while rehabilitation under the program I propose would cost only about $350 per year, per man.

The State of New York recently adopted a civil commitment law which is similar to this one. It applies to persons charged with violations of a State narcotics law. But the Justice Department reports more than 1,600 Federal narcotics prosecutions a year, and I think the Federal Government should not lag behind the State in offering rehabilitative treatment.

The second bill of which I am the sponsor would make applicable to narcotics cases the provisions of the Federal Youth Corrections Act which gives Federal judges broad discretion in the sentencing of youthful offenders. This law, enacted in 1950, has proved so effective, that it was recently extended to include young adults up to the age of 26. At the present time, there is a difference of opinion in the courts of this land over whether all the provisions of the Youth Offender Act can be applied to persons convicted of offenses involving narcotics, since the latter laws contain mandatory penalties. My bill would clarify the intent of Congress in such cases by granting judges the discretion they need in dealing with these young people on an individual basis. I would like to emphasize that this bill in no way removes high penalties which the judge is free to impose if he feels such penalties are warranted but merely affords him additional alternatives and a greater scope in dealing with such cases.

Our third bill, of which my colleague, the Senator from New York [Mr. JAVITS], is the author, provides a grant-in-aid program for the construction and operation of suitable hospital and after-care facilities for addicts under civil commitment. It is obvious that without adequate facilities, any provision for more flexible handling of these cases would be virtually meaningless. These programs must go hand in hand if they are to operate with maximum results.

The fourth bill, which is also offered by my colleague, the Senator from New York [Mr. JAVITS], would grant increased funds to the Public Health Service for research into the cause and cure of addiction. Such a program is essential if we are to succeed in uncovering and attacking the conditions contributing to this problem, as well as meeting its immediate consequences. The legislation we are offering today would permit the application of scientific principles to this problem, and offers much more hope of a successful counterattack against the narcotics menace than has been achieved to date.

Mr. President, because we know many of our colleagues share our concern over the increasing gravity of the drug addiction problem, we are requesting that these bills lie on the table for an additional 10 days—so that others may join in sponsorship. I also ask that these bills be printed in the RECORD immediately following my remarks.

The VICE PRESIDENT. The bills will be received and appropriately referred; and without objection, the bills will lie on the desk for 10 days, and be printed in the RECORD, as requested by the Senator from New York.

The bills, introduced by Mr. KEATING (for himself and other Senators), were received, read twice by their titles, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

By Mr. KEATING (for himslf, Mr. JAVITS, Mr. CASE, Mr. KUCHEL, and Mr. SCOTT):

S. 863. A bill to amend chapter 5, 402 of title 18, United States Code, to make the Federal Youth Corrections Act applicable to certain persons who violate the Federal narcotics statutes.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 402 of title 18, United States Code, is amended—

"(1) by adding the following new section at the end thereof:

" 'SEC. 5027. The provisions of this chapter shall be applicable to all persons otherwise eligible, who are convicted of violations of any Federal penal law relating to narcotics notwithstanding the fact that a mandatory penalty is prescribed for any such violation'; and

"(2) by adding the following new item at the end of the analysis:

" '5027. Applicability to certain narcotics violators.' "

By Mr. KEATING (for himself, Mr. JAVITS, Mr. CASE, Mr. KUCHEL, Mr. HART, and Mr. SCOTT):

S. 864. A bill to enable the courts more effectively to deal with the problem of narcotic addiction.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

"DECLARATION OF POLICY

"SECTION 1. It is the policy of the Congress that, in the administration and enforcement of Federal penal laws dealing with narcotics, individuals whose violation of any such law is attributable to the fact that they are victims of narcotic addiction should be afforded an opportunity for treatment and rehabilitation; and individuals whose violation of such laws is not so attributable should be dealt with as criminals deserving of severe punishment.

"DEFINITIONS

"SEC. 2. For purposes of this Act—

"(a) The term 'narcotic drug' or 'narcotics' shall include the substances defined as 'narcotic drugs', 'isonipecaine', and 'opiate' in section 4731 of the Internal Revenue Code of 1954, as amended;

"(b) The term 'drug user' means any person who habitually uses any habit-forming narcotic drugs so as to endanger the public morals, health, safety, or welfare, or who is or has been so far addicted to the use of such habit-forming narcotic drugs as to have lost the power of self-control with reference to his addiction;

"(c) The term 'Surgeon General' means the Surgeon General of the Public Health Service.

"PROCEEDINGS BEFORE COURT

"SEC. 3. (a) Any eligible person charged with a violation of a Federal penal law relating to narcotics, other than the sale or other transfer of narcotics, shall, upon being brought before a committing magistrate, be informed that the prosecution of the criminal charge will be held in abeyance if the eligible person chooses to submit to an immediate examination to determine if he is a drug user. He shall be further informed that if he makes such an election and it is found that he is a drug user, and the court so orders, he shall then have to submit to a mandatory civil commitment. At the request of the eligible person, or on the order of the court, he may be permitted a maximum of five days subsequent to his being brought before a committing magistrate in which to make this election and he shall be informed of his right to such a delay. In the absence of such timely election, except upon a showing of substantial reasons why the election could not timely be made, the eligible person will be barred from such an election after the prescribed period, or, if he chooses not to so elect, he will be barred from doing so thereafter. If the eligible person elects consideration for civil commitment, he shall remain under the custody of the United States marshal or be placed under the custody of the Surgeon General, as the court may direct, for the purposes of an appropriate medical examination, for a period not exceeding ten days.

"(b) Within such ten-day period the Surgeon General shall transmit to the court a certified report as to whether the eligible person is a drug user and the eligible person shall be returned to the court for such further proceedings as may be necessary. A copy of the report shall be made available to the eligible person and to the Government attorney. If the eligible person wishes to contest the findings contained in the report, the court shall order a hearing. At such hearing the court may, besides considering the content of the report, consider any other relevant information which may be brought to its attention. If the court, acting on the report and on the hearing if any, holds that the eligible person is not a drug user, he shall be held to answer the criminal charges which were previously held in abeyance. If the court, acting on the report and on the hearing if any, determines that the eligible person is a drug user, the eligible person may be committed to the custody of the Surgeon General.

"(c) No person charged with a violation of a Federal law relating to narcotics shall be eligible for civil commitment if it appeared that—

"(1) the offense involved the sale or other transfer of narcotics;

"(2) there is pending against the person a prior charge of a crime and such charge has not been finally determined or sentence following conviction on such charge, including any time on parole, has not been fully served;

"(3) the person has been convicted on one or more prior occasions of a felony;

"(4) the person has previously been civilly committed because of his narcotics use;

"(5) facilities for the hospital care and treatment of narcotics users, or facilities for their aftercare supervision, are certified by the Surgeon General to be unavailable or inadequate at the time the commitment is sought;

"(6) it is not in the interest of justice to commit the person civilly.

"(d) Whenever a drug user has been civilly committed pursuant to this Act, the criminal charge which led to his arrest shall be continued without final disposition and shall be dismissed only after the drug user has been released from the custody of the Surgeon General and has been duly certified by the aftercare authority as having successfully completed the aftercare period. If the Surgeon General at any time prior to such certification determines that the drug user cannot be further treated as a medical problem because of his apparent incorrigibility or nonresponsiveness to medical treatment, he shall so advise the court and the criminal proceedings against the drug user shall thereupon be resumed. In the event criminal proceedings are resumed, after having been held in abeyance, the drug user shall receive full credit, against any sentence which may be imposed, for the time spent in the custody of the Surgeon General.

"(e) There shall be no adjournments between arrest and civil commitment other than for the five-day period specified in subsection (a) of this section, except for compelling reasons, and a person who requests consideration for civil commitment shall not be admitted to bail or parole or released on his own recognizance during the pendency of the examination and commitment procedures.

"COMMITMENT OF DRUG USER

"SEC. 4 (a) A drug user committed to the custody of the Surgeon General under the provisions of this Act shall be committed for an indeterminate period not to exceed thirty-six months. The drug user shall not be released prior to the expiration of this thirty-six-month period unless it is certified by the Surgeon General that the drug user has been effectively removed from the habitual use of drugs.

"(b) Upon release from such an indeterminate commitment the former drug user may be required to report periodically for a period of not more than two years for such probationary aftercare treatment as the Surgeon General may direct, the purpose of such probation being to insure that the former drug user does not return to the use of drugs. Throughout this period the probationer shall also be subject to home visits and to such reasonable regulation of his conduct as the probationary aftercare authority may establish.

"(c) Throughout the probationary period such probationer shall submit to such reasonable tests to detect the use of narcotics as may be ordered by the probation authorities. If it is established at a hearing held by the probationary aftercare authority, or it is established by the probationer's own written statement, that he has returned to the use of narcotics, the Surgeon General shall so advise the court and the criminal proceedings against the drug user shall thereupon be resumed.

"CIVIL COMMITMENT NOT TO BE A CONVICTION

"SEC. 5. The determination made by the court, on the report of the Surgeon General, that any person is a drug user within the meaning of this Act, shall not be deemed a criminal conviction, nor shall such person be denominated a criminal by reason of such determination. The results of any tests or procedures to determine narcotic addiction by the Surgeon General shall not be used against the examined person in any criminal proceeding. The results may only be used in a further proceeding under this Act, such a proceeding not to include any criminal charge continued without final disposition under this Act. The fact, however, that a person is a drug user may be elicited on his cross-examination as bearing on his credibility.

"USE OF STATE FACILITIES

"SEC. 6. The Surgeon General is authorized to enter into agreements with States (and political subdivisions thereof) under which appropriate facilities of such States, or political subdivisions thereof, as the case may be, will be made available, on a reimbursable basis, for the care of individuals civilly committed pursuant to the foregoing provisions of this Act.

"STATE LAWS NOT AFFECTED

"SEC. 7. This Act shall not be construed as indicating an intent on the part of Congress to occupy the field in which this Act operates to the exclusion of a law of any State, territory, Commonwealth, or possession of the United States, and no law of any State, territory, Commonwealth, or possession of the United States, which would be valid in the absence of this Act shall be declared invalid, and no local authorities shall be deprived of any jurisdiction over any offense over which they would have jurisdiction in the absence of this Act.

"SEPARABILITY PROVISION

"SEC. 8. If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of this Act and the applicability of such provision to other circumstances shall not be affected thereby.

"EFFECTIVE DATE

"SEC. 9. This Act shall become effective on July 1, 1964, and shall not apply to any case pending in any court of the United States arising from an arrest made prior to July 1, 1964."

NATIONAL ACADEMY OF FOREIGN AFFAIRS

Mr. SYMINGTON. Mr. President, I know my colleagues are aware, and share with me the conviction, that no U.S. institution is more important to the security of the Nation than the Foreign Service of the United States.

Upon the dedication, the skills, the abilities of those who represent this Nation in its dealings with foreign nations, depend foreign policy successes or failures. Therefore our Foreign Service cannot be third rate, or even second rate. Only a first-rate institution will do.

For a number of years now, I have been concerned about the quality of our tremendously expanded Foreign Service. I do not challenge the dedication of its personnel—they have proven, time and again, that they are conscientiously devoted to serving the best interests of the United States.

It has seemed to me, however, that there has been a failure to provide Foreign Service personnel with the best tools to develop their skills and increase their knowledge of so many additional technical and political developments. And one of the chief shortcomings, in my view, has been the inadequacy of the training programs for our oversea personnel.

In effort toward correcting this deficiency, in both 1959 and 1961, I introduced in the Senate a bill to provide for the establishment of a Foreign Service Academy.

On January 14 of this year, drawing on the recommendations of the Herter Committee on Foreign Service Personnel and the President's Advisory Panel on a National Academy of Foreign Affairs, I introduced a new bill, S. 15.

Since the introduction of S. 15, the President has transmitted to the Congress draft legislation to provide for the establishment of a National Academy of Foreign Affairs; and I think he is to be highly commended for his initiative in this field. I know he has given a great deal of thought to the requirements of

the United States in the field of foreign affairs; and also that he believes maximum effectiveness of our oversea personnel deserves priority attention.

In his message transmitting the draft legislation to the Congress, the President called attention to the "new world" in which we live—"a world marked by the continuing threat of communism, by the emergence of new nations seeking political independence and economic growth, and by the obligations we have assumed to help free peoples maintain their freedom."

To meet the new situation the President is asking Congress to establish a National Academy of Foreign Affairs—a "new institution" to "assure vigorous and comprehensive programs of training, education, and research for the personnel of all departments."

A point or two in the administration's draft is at variance with my own thinking, and we will no doubt discuss these and the other provisions in committee, before presenting the bill to the Senate.

Nonetheless, because I believe the President's proposal is worthy of thorough consideration by the Congress, on behalf of Senators SALTONSTALL, MANSFIELD, HUMPHREY, SMATHERS, BOGGS, MCGEE, YARBOROUGH, MOSS, LONG of Missouri, RANDOLPH, CLARK, ENGLE, and RIBICOFF, I introduce, for appropriate reference, this bill to establish a National Academy of Foreign Affairs, and ask unanimous consent to have it printed at this point in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 865) to provide for the establishment of the National Academy of Foreign Affairs, and for other purposes, introduced by Mr. SYMINGTON (for himself and other Senators), was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Academy of Foreign Affairs Act of 1963."

FINDINGS AND DECLARATION OF POLICY

SEC. 2. The Congress hereby finds that the security and welfare of the United States require that our commitment in the struggle for peace and freedom throughout the world continue to be strengthened by the development of better trained and more knowledgeable officers of our Government and others concerned with the increasingly complex problems of foreign affairs. The complexity of such problems is clearly evidenced by the threat of world communism, the rapid emergence of new countries striving to be politically independent and economically viable, and new patterns of thought and action affecting the political, economic, and social intercourse among nations.

The Congress further finds and declares that our responsibilities can be fulfilled more effectively by the establishment of an institution at which training, education, and research in foreign affairs and related fields may be undertaken on an interdepartmental basis which would support integrated United States efforts overseas and at the seat of Government. The United States can assure that its position as a leader among nations shall be maintained and improved through maximum utilization of its potential by pooling the best of American minds and resources to create a great institution that will carry forward our American tradition of academic freedom and will serve as America's complete and total commitment to freedom and peace in the world.

ESTABLISHMENT OF THE NATIONAL ACADEMY OF FOREIGN AFFAIRS

SEC. 3. There is hereby established the National Academy of Foreign Affairs (hereinafter referred to as the "Academy") which shall be an agency of the United States, and shall be located in or near the District of Columbia. The Academy shall be established for the purposes of training, education, and research in foreign affairs and related fields, both in the United States and abroad, and for promoting and fostering related programs and study incident thereto. The Academy shall be maintained for officers and employees of the Government, and others when deemed to be in the national interest.

BOARD OF REGENTS OF THE NATIONAL ACADEMY OF FOREIGN AFFAIRS

SEC. 4. (a) There shall be a Board of Regents of the National Academy of Foreign Affairs (hereinafter referred to as the "Board"). The Board shall determine policy and provide guidance to the Chancellor of the National Academy of Foreign Affairs in the execution of the powers, functions, and duties of the Academy.

(b) The Board shall consist of—

(1) the Secretary of State, who shall be the Chairman;

(2) four members designated by the President, from time to time, from among the officers of the United States who are required to be appointed by the President, by and with the advice and consent of the Senate;

(3) five members appointed from private life by the President, by and with the advice and consent of the Senate; and

(4) the Chancellor of the Academy.

Members appointed from private life shall be United States citizens of outstanding attainment in the field of public and international affairs or education. The first members so appointed shall continue in office for terms of three, four, five, six, and seven years, respectively, from the effective date of this Act, and the term of each shall be designated by the President. Their successors shall be appointed for terms of five years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed.

(c) The Board may—

(1) establish visiting committees from among its membership or otherwise to inquire periodically into matters relating to the Academy which the Board desires to be considered; and

(2) call in advisers for consultation.

(d) Members of the Board appointed from private life and any members of visiting committees or advisers appointed from private life, shall receive compensation at the rate of $100 for each day while engaged in the actual performance of their official duties and in necessary travel.

THE CHANCELLOR OF THE NATIONAL ACADEMY OF FOREIGN AFFAIRS

SEC. 5. (a) The chief executive of the Academy shall be the Chancellor of the National Academy of Foreign Affairs (hereinafter referred to as the "Chancellor"). Except as otherwise specifically provided herein, the Chancellor shall have authority and be responsible for the execution of the powers, functions, and duties of the Academy. In accordance with the policies and guidance established by the Board, he shall take such actions as may be required to carry out the purposes of the Academy; correlate the training, education, and research furnished by the Academy with the activities of other Government agencies and with the programs of private institutions; and encourage and foster such programs outside the Academy as will be complementary to those of the Academy. The Chancellor may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer or employee of the Academy of any function of the Chancellor.

(b) The Chancellor shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at a rate established from time to time by the President, based on comparable salaries provided by leading universities. In case of death, resignation, absence, or disability of the Chancellor, a member of the faculty or staff of the Academy designated by the Chancellor shall, unless otherwise directed by the President, perform the duties of the Chancellor until a successor is appointed or such absence or disability shall cease.

SPECIFIC AUTHORITIES AND RESPONSIBILITIES OF THE CHANCELLOR

SEC. 6. Under such policies and guidance as the Board may establish, the Chancellor may—

(a) appoint and compensate, as faculty or staff of the Academy, on a full- or part-time basis, such officers, employees, and attorneys as he may deem necessary to carry out the provisions of this Act, in accordance with the provisions of the civil service laws and regulations and the Classification Act of 1949, as amended, except that in the absence of suitably qualified United States citizens, he may appoint and compensate persons who are not citizens of the United States: *Provided,* that when deemed necessary by the Board for the effective administration of this Act, members of the faculty may be appointed and compensated without regard to such laws and regulations: *Provided further,* such members of the faculty shall receive a salary at a rate based on comparable salaries provided by leading universities, but not to exceed the rate provided for GS–18 of the Classification Act of 1949, as amended;

(b) arrange, with the consent of the head of the Government agency concerned, for the assignment or detail of any officer or employee of the Government, to serve on the faculty or staff of the Academy, or to receive training or education or to perform research at the Academy. To carry out the purposes of this subsection, the head of any Government agency may under such arrangement assign or detail any officer or employee of his agency to serve on the staff or faculty of the Academy, or to receive training or education or to perform research at the Academy. Such assignment or detail shall be deemed to be without prejudice to his status or opportunity for advancement within his own agency;

(c) permit other persons, including individuals who are not citizens of the United States, to receive training or education or to perform research at the Academy when deemed in the national interest; and to provide appropriate orientation and language training to members of family of officers and employees of the Government in anticipation of the assignment abroad of such officers and employees or while abroad; but such persons and members of family shall not be deemed, by virtue of attendance at the Academy, to be Federal employees for any purpose of law;

(d) make arrangements (including contracts, agreements, and grants) for the conduct of such research and other scholarly activities in foreign affairs and related fields by private or public institutions or persons as may implement the functions of the Academy;

(e) pay the necessary tuition and other expenses of officers and employees of the Government who are attending the Academy, for additional special instruction or training at or with public or private nonprofit institutions, trade, labor, agricultural, or scientific associations, or commercial firms;

(f) procure services as authorized by section 15 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 55a), at rates not to exceed $100 each day for individuals, and in addition transportation expenses and per diem in lieu of subsistence while away from their homes or regular places of business, as authorized by section 5 of said Act, as amended (5 U.S.C. 73b–2): *Provided*, that individuals may serve singly or as members of committees: *Provided further*, that contracts so authorized may be renewed annually;

(g) pay travel and related expenses of the members of the Board, the Chancellor, faculty, staff, students of the Academy, members of visiting committees, and advisers to the Board as authorized by section 911 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1136), or by the Travel Expense Act of 1949, as amended (5 U.S.C. 835–842), and sections 1 and 7 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b–1 and 3), or by section 303 of the Career Compensation Act of 1949, as amended (37 U.S.C. 404–406), as appropriate;

(h) utilize or employ the services, personnel, equipment, or facilities of any other Government agency, with the consent of the head of the Government agency concerned, to perform such functions on behalf of the Academy as may appear desirable;

(i) acquire in the United States or abroad such real and personal property as may be necessary for the operation and maintenance of the Academy: *Provided*, that the acquisition by lease or otherwise of buildings or parts of buildings in the United States, including the District of Columbia, for use of the Academy, shall be through the Administrator of General Services;

(j) accept, receive, hold, and administer gifts, bequests, or devises of money, securities, or property made for or to the benefit of, or in connection with the Academy, in accordance with section 1021 of the Foreign Service Act of 1946, as amended (22 U.S.C. 809); and

(k) prescribe rules and regulations governing the function and operation of the Academy, consistent with policies and guidance established by the Board.

PROVISION FOR COPYRIGHTS

SEC. 7. Members of the Board from private life, Chancellor, members of the faculty, and persons in attendance at, or serving with, the Academy shall be encouraged to write and speak on subjects within their special competence, and such writings and speeches other than those required in the performance of their official duties shall not be considered publications of the United States Government within the meaning of the Act of March 4, 1909, as amended (17 U.S.C. 8), or the Act of January 12, 1895, as amended (44 U.S.C. 58).

APPROPRIATIONS AND USE OF FUNDS

SEC. 8. (a) There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act, and when so provided in an appropriation Act, such funds may remain available until expended.

(b) Funds appropriated for the purposes of this Act or transferred to the Academy by other Government agencies for such purposes shall be available for the exercise of any authority granted by this Act, including, but not limited to: expenses of printing and binding without regard to the provisions of section 11 of the Act of March 1, 1919 (44 U.S.C. 111); entertainment and official courtesies to the extent authorized by appropriations; purchase, rent, or lease of offices, buildings, grounds, and living quarters for the use of the Academy, payments therefor in advance, and maintenance, improvement, and repair of such properties or grounds; expenses of attendance at meetings concerned with furthering the purposes of this Act, including (notwithstanding the provisions of section 9 of Public Law 60–328 (31 U.S.C. 673)) expenses in connection with meetings of persons whose appointment, employment, assignment, detail, or services is authorized by subsections 6 (a), (b), (f), and (h) of this Act.

REPEALS AND SAVING CLAUSES

SEC. 9. (a) Section 701 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1041), is amended to read as follows: "The Secretary of State is authorized to furnish training and instruction in the field of foreign affairs to officers and employees of the Foreign Service and to the Department and to other officers and employees of the Government when such training and instruction are not otherwise provided at the Academy or elsewhere. The Secretary may also provide appropriate orientation and language training to members of family of officers and employees of the Government in anticipation of the assignment abroad of such officers and employees or while abroad."

(b) Sections 702–707 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1042–1047), are hereby repealed.

(c) Section 573(b) of the Foreign Service Act of 1946, as amended (22 U.S.C. 963), is further amended by adding the following: "The Secretary may pay the necessary tuition and other expenses for any such officer or employee."

(d) Section 578 of the Foreign Service Act of 1946, as amended (22 U.S.C. 968), is further amended by deletion of the phrase "at the Foreign Service Institute or elsewhere" from the final clause of the third sentence.

(e) So much of the property, records, unexpended balances of appropriations, allocations, and other funds held, used, available, or to be made available in connection with the Foreign Service Institute, as established by sections 701–707 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1041–1047), that relate to the work of the Academy, as determined by the Director of the Bureau of the Budget, are hereby authorized to be transferred to the Academy and the Chancellor thereof.

(f) Notwithstanding the provisions of this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions taken, issued or entered into under authority of statutes repealed by this Act shall continue in full force and effect until modified by appropriate authority.

Mr. SYMINGTON. Mr. President, I also ask unanimous consent that the bill lie on the Secretary's desk for a week in order that additional Senators wishing to cosponsor may do so.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. SYMINGTON. I also ask unanimous consent, Mr. President, to have included at this point in the RECORD the President's letter of transmittal, and also an accompanying memorandum prepared for him by Secretary of State Dean Rusk.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
February 11, 1963.

Hon. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith for the consideration of the Congress a bill to provide for the establishment of the National Academy of Foreign Affairs, together with a memorandum summarizing and discussing the principal provisions of the proposed legislation.

In the last quarter century, there has been a dramatic change in the role and responsibilities of the United States in world affairs. Before the Second World War, our commitments to the world outside our own hemisphere were limited. Our role was characteristically that of observer, not of participant. Our representatives abroad concentrated on reporting events rather than on working to change their course. We had no major programs of foreign assistance or oversea information or cultural exchange.

Today we live in a new world—a world marked by the continuing threat of communism, by the emergence of new nations seeking political independence and economic growth, and by the obligations we have assumed to help free peoples maintain their freedom. To meet the challenges of this new world, we have enormously expanded and diversified our oversea commitments, operations and activities.

These operations involve virtually every department and agency of our Government. Nearly a million Americans are serving our Nation beyond our national frontiers. And the hopes for progress and freedom in much of the world rest in great part on the American contribution.

This new situation demands men and women capable of informed and forceful action everywhere within the economic, political and social spectrum of our concern. It requires these men and women to apply their specialized skills and experience to many diverse problems and activities, and at the same time to maintain an essential unity of purpose and action so that all these operations can be coordinated into a harmonious whole. It therefore demands a new approach to the training and education of men and women for service overseas. It calls for new proficiency in the analysis of current problems, new skill in the formulation of policy, new effectiveness in the coordination and execution of decision, new understanding of the tactics of communism and the strategy of freedom, and new preparation for the multitude of tasks which await our Government personnel everywhere in the world.

The various Federal departments and agencies have already made extensive efforts to develop programs to equip their personnel for these new challenges. But a piecemeal, department-by-department approach is no longer adequate. A new institution is urgently needed to provide leadership for those efforts—to assure vigorous and comprehensive programs of training, education, and research for the personnel of all departments.

The proposed National Academy of Foreign Affairs is based on recommendations made by two distinguished groups of educators and public servants. Autonomous in nature and interdepartmental in scope, the Academy would be designed to provide our foreign affairs personnel with the fundamental knowledge and understanding which is indispensable to serving our Nation effectively in today's complex world. It is not intended in any way to supersede or to compete with the notable work now carried on in our colleges and universities. The central burden of basic education in foreign affairs must, of course, remain in nongovernmental hands.

Unlike the present Foreign Service Institute, the Academy will not be oriented primarily to the work of the Department of State alone, but will be the nucleus of Government-wide training and research in international matters. Therefore, the proposed legislation calls for the repeal of earlier legislation establishing the Foreign Service Institute and for the transfer of appropriate facilities of the Institute to the Academy.

The Department of State will retain authority to provide specialized inservice training of a routine character on subjects of exclusive interest to its own personnel, as will other Federal agencies.

Nor would the Academy detract from the valuable contribution being made by our senior professional military schools. Finally, it would not propagate any single doctrine or philosophy about the conduct of foreign affairs. Such an institution can serve the cause of freedom only as it embodies the spirit of freedom, and it can fulfill its mission only by meeting the best standards of intellectual excellence and academic freedom.

The Academy is intended to enable faculty and students of the highest quality to focus our collective experience and knowledge on the issues most vital to the advancement of our national purpose. With the full backing of the Government and academic community, it will, it is hoped, attract the essential leadership that will make it a great center of training, education, and research in foreign affairs.

I earnestly hope that the Congress will give early and favorable consideration to this proposed legislation.

Sincerely,

JOHN F. KENNEDY.

MEMORANDUM FOR THE PRESIDENT

DEPARTMENT OF STATE,
Washington, D.C.

Subject: Bill to provide for the establishment of the National Academy of Foreign Affairs.

During recent years, the need for advanced professional training, education, and research in the vast and intricate field of American foreign affairs has become increasingly evident, both to the Federal agencies directly concerned and to outside political and academic leaders. Strenuous efforts have been made to meet this need by the expansion and improvement of existing facilities, but the weight of evidence makes it clear that piecemeal measures will no longer suffice and that a wholly new approach is needed.

The importance of a new approach to foreign affairs training, education, and research was highlighted in the report of the Committee on Foreign Affairs Personnel, chaired by former Secretary of State Christian Herter. It was also the subject of a recent report to you submitted by a special Presidential Advisory Panel of academic leaders, chaired by Dr. James A. Perkins. The legislation now being proposed is based primarily upon the findings and recommendations of the latter report, although it has taken account of ideas and suggestions from many other sources, including various legislative proposals put forward by Members of the Congress in past years.

The most significant features of the proposed legislation are the following:

1. Enactment of the legislation will manifest a clear and firm commitment by the Congress and the executive branch to make training, education, and research in foreign affairs a more effective and integrated instrument of American foreign policy.

2. The program of the proposed Academy will encompass the entire range of foreign affairs and thereby serve the totality of American interests. Thus, while the methods of resisting Communist expansion—direct and indirect—must be given great emphasis, this subject obviously cannot be treated in isolation It must be closely linked with various interrelated purposes and activities of U.S. foreign policy, such as the economic and social advancement of the less-developed countries, the preservation of our regional alliances, and the promotion of American commercial ties with other nations. In other words, the proposed legislation recognizes that American foreign policy has many specialized and interlocking components, and contemplates a training and research program that will embrace all these components and clarify the relationship among them.

3. In the broader sense, the program of the new Academy may be expected to better meet our needs in three major areas: (a) the analysis, compilation, and distribution of the products of the best thinking developed in governmental and private research institutions; (b) the study and evaluation of past and present U.S. operating experience in various fields of foreign affairs (especially in new or expanded program areas); and (c) the training and education of professional staffs responsible for formulating, supervising, and conducting foreign affairs activities.

4. As the Academy's program is designed to cover all significant aspects of foreign affairs, so it must meet the needs of all U.S. departments and agencies actively involved in foreign relations. The Academy, which would replace the Foreign Service Institute, would be the focal point of efforts to provide training, education, and research in subjects affecting the conduct of our international programs on a governmentwide basis. Existing law providing for the Foreign Service Institute would be replaced and the transfer of certain of its facilities to the Academy would be authorized. The Department of State, like other Federal agencies, would continue to possess the authority to provide specialized training needed by its own personnel. When the Academy is in operation, it will be the principal source of professional training and education for personnel of the State Department, the USIA, and AID, as well as a supplemental source of training for more than 20 other Federal agencies.

5. The proposed legislation establishes the Academy as a separate institution, with independent and ample facilities for furnishing advanced training and education to foreign affairs personnel throughout the Government, for initiating and conducting useful research and for performing other tasks assigned to it. For example, the Academy, under the direction of a Chancellor appointed by the President, will choose its own faculty members, develop its own curriculum, collect and organize pertinent materials from governmental agencies and outside sources, design and carry out its research programs, and take the initiative in fostering supplementary research by private institutions. At the same time, the operations of the Academy will be subject to basic policy guidance provided by a board of regents, chaired by the Secretary of State and consisting of four other high Federal officials and five prominent private citizens designated by the President with the advice and consent of the Senate. These arrangements will establish an appropriate linkage between the work of the Academy and that of the operating agencies of the Government and thereby insure that the training and research undertaken by the Academy will not be conducted in an "ivory tower" atmosphere but will be genuinely geared to the concrete needs of the agencies actually engaged in international operations. This linkage will also enable the Academy and the operating agencies to work out mutually satisfactory procedures to permit the faculty, students and research workers of the Academy to gain access to pertinent classified materials while maintaining appropriate security safeguards.

6. The proposed legislation gives the Chancellor administrative authorities and responsibilities similar to those normally possessed by heads of major private educational institutions. If the Academy is to be successful, it must attract personnel of the highest quality, must be able to achieve and maintain rigorous academic standards, must have optimum flexibility to adjust its activities to ever-changing requirements, and must have access to equipment, property, services and other resources comparable to those available in leading universities.

7. While the research, education, and training conducted by the Academy will primarily be for officers of the Federal Government, the proposed legislation will permit private American citizens, and even foreign nationals, to receive training at the Academy where such training is deemed to be in the national interest. The criteria for screening and selecting such trainees, and the security restrictions to be applied to them, will be developed by the Chancellor under the guidance of the Board of Regents.

8. The proposed Academy will not in any sense compete with the activities of established colleges and universities, but rather will serve as a channel through which the knowledge, opinions, experiments, and ideas of the whole academic world may be used more effectively in the Government's foreign affairs programs. Thus, the Academy will not attempt to duplicate the basic courses provided by colleges and universities. Instead it will develop new programs of training and research designed to synthesize these diverse educational resources, plus the knowledge and experience within the Government itself, and focus them upon the concrete problems of foreign affairs. Similarly, the Academy will continue to look to private colleges, universities, and foundations for assistance and cooperation in many phases of advanced research and training and will have authority to contract for such services where necessary.

9. The proposed legislation provides that the National Academy will be physically located in or near the District of Columbia. While there might be certain values in seeking a more distant location, these are clearly outweighed by the advantages of a location close to the headquarters of the various departments and agencies engaged in the actual conduct of foreign affairs. Such a location will permit the faculty, students, and research workers to gain ready access to experienced lecturers and advisers, to consult with appropriate officials in the executive branch and the Congress, to observe actual governmental operations, and to obtain pertinent documents from governmental libraries and files.

10. In view of the ever-changing tides and cross currents of international relations, and the changing plans, programs, and emphasis of the various departments and agencies responsible for the conduct of foreign affairs, a detailed and defined curriculum at this time would be unrealistic. However, it is expected that the Academy will place emphasis upon training, education, and research in such matters as: (a) the methods of formulating the goals of U.S. foreign policy in the light of American institutions and values and the means by which policies to achieve these goals are developed and executed, including coordination of the work of the different U.S. agencies, both at home and abroad; (b) Communist history, theory, strategy, tactics, and resources—military and nonmilitary—and the methods of detecting and counteracting Communist efforts to dominate, penetrate, and subvert free societies and institutions; (c) political, social, economic, and cultural evolutions and conditions in critical areas of the world; (d) the problems of social and economic advancement in the less-developed areas, and the means of coping with such problems; and (e) the structure, activities, relationships and implications of international organizations.

Early enactment of this legislation will be a major step forward in bringing more fully to bear the resources of the Government and the Nation on the challenges and problems of foreign affairs confronting us in these turbulent times.

DEAN RUSK,
Secretary of State.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. I appreciate the courtesy of the Senator from Missouri in permitting me to join in the sponsorship of the bill. It is a subject in which I have been interested for a long time. I originally introduced a bill, in 1949, to permit greater opportunity for study by members of the Foreign Service. Then, with the Senator from Arkansas, in 1959, I inserted in the proposal a language requirement. I think the present majority leader, the Senator from Montana [Mr. MANSFIELD], was also a member of that group.

This bill proposes a new form of Institute. While in the past there was objection by the State Department to an Academy for Foreign Service similar to the Academies at Annapolis and West Point, this proposed Institute is a different concept from those. Is that correct?

Mr. SYMINGTON. The Senator is correct.

Mr. SALTONSTALL. This is an Institute to permit greater opportunity for study by persons who are already members of the Foreign Service. It is not a specialized institution, as such, similar to the institutions of the Military Establishment.

Mr. SYMINGTON. That is correct.

Mr. SALTONSTALL. Like the Senator from Missouri, I have urged that such a bill be passed. When the opportunity for hearing comes, I shall have some minor suggestions which I think will improve the bill, but I think the substance of the bill is excellent. I am glad the Senator has permitted me to join in its sponsorship with him.

Mr. SYMINGTON. I thank the able Senator from Massachusetts for his comments. There is no Member of the Senate I would more prefer to be a cosponsor of the bill than the Senator from Massachusetts. If he will be kind enough to give me his thoughts with respect to the bill, I shall be glad to present those thoughts to the Foreign Relations Committee.

Mr. SALTONSTALL. I shall be glad to do so, in the form of a letter.

BURIAL OF WAR CORRESPONDENTS IN NATIONAL CEMETERIES

Mrs. NEUBERGER. Mr. President, I introduce, for appropriate reference, a bill to authorize burial of war correspondents in national cemeteries. I am introducing the bill in recognition of the fact that this particular group of American civilians have served with members of the Armed Forces under combat conditions but are accorded virtually no recognition by our Government for a special type of public service performed during wartime. Congress should decide whether some appropriate recognition should be given to the work of men and women who served as war correspondents. I ask unanimous consent for the bill to lie at the desk for 3 days for additional sponsors.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk, as requested by the Senator from Oregon.

The bill (S. 869) to authorize the burial of certain news correspondents in national cemeteries, introduced by Mrs. NEUBERGER, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

FEDERAL PAYMENT FORMULA—BORROWING AUTHORITY FOR THE DISTRICT OF COLUMBIA

Mr. BIBLE. Mr. President, it is my pleasure to send to the desk, for introduction and appropriate reference, draft legislation submitted by President Kennedy to provide for increased Federal Government participation in meeting the costs of maintaining the Nation's Capital City and to authorize Federal loans to the District of Columbia for capital improvement programs.

In brief, title I of the bill would establish a formula for computing the annual Federal in-lieu-of-tax payment to the District of Columbia. Title II would authorize additional borrowing authority for capital improvements, tying the maximum general fund debt limit to an assessed valuation percentage.

I believe the President's proposals present a dynamic and realistic approach to the District's perennially difficult fiscal problems confronting the Congress. In my judgment the bill offers a real and challenging hope for Congress to help the District's taxpaying citizens get the Nation's Capital City on a sound, businesslike, and fiscally responsible basis.

As chairman of the Senate District Committee for some years and as an Appropriations Committee member as well, I have advocated a Federal payment formula since 1960 when I proposed before Congress that such a realistic approach be adopted. This method should ease the difficult task of the Appropriations Committee each year in determining an adequate Federal payment when the imponderables of District tax revenue forecasts and borrowing authority totals come into play.

This bill would afford the greatest breakthrough in more than 40 years in meeting the money problems unique to this federally controlled and congressionally operated city. It envisions substantial tax increases for District residents at the same time the Federal Government is asked to boost its share.

This cooperative effort would seem an equitable step toward curing some of the Capital City's known ills which tragically make themselves felt too often such as the growing crime rate and school discipline and juvenile delinquency problems.

Money alone is not the all-purpose remedy for the District's ailments. I, for one, hold high hope that the District Commissioners and the District government's department heads and employees on all levels will also shoulder their fiscal responsibilities with greater diligence in all administrative areas. They, too, share an equal burden with the Congress and the city's taxpaying citizenry.

I shall call hearings on this bill within the next several weeks. It is essential that the legislative authorizations be disposed of in good time in order that the appropriations committees may have those guidelines to aid their work.

Mr. President, I ask unanimous consent that a letter submitted to the Congress by the President accompanying his draft legislation be printed in full at the conclusion of my remarks, providing more detailed information about the Federal payment formula and the borrowing authority proposals.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 871) to provide for increased Federal Government participation in meeting the costs of maintaining the Nation's Capital City and to authorize Federal loans to the District of Columbia for capital improvement programs, introduced by Mr. BIBLE, was received, read twice by its title, and referred to the Committee on the District of Columbia.

The letter presented by Mr. BIBLE is as follows:

THE WHITE HOUSE,
Washington, D.C., February 11, 1963.

Hon. LYNDON B. JOHNSON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I transmit herewith a proposed bill "To provide for increased Federal Government participation in meeting the costs of maintaining the Nation's Capital City and to authorize Federal loans to the District of Columbia for capital improvement programs."

The message which I sent to the Congress on January 18, 1963, transmitting the District of Columbia budget, explained the current crisis in the financial affairs of the District, and set out in some detail my proposal for both an immediate and a longer range solution. The proposed bill would implement two elements of my proposal—the increase in the authorization for the Federal payment to the District, and the authorization of additional borrowing from the Treasury.

The District Commissioners, who have cooperated in the development of this proposal and in the preparation of this draft bill, have moved promptly to implement the third element—the increases in local taxes. A major portion of these increases will also require legislative authorization. A draft bill for this purpose will be submitted to the Congress by the Commissioners.

Title I of the enclosed draft bill, which deals with the Federal payment to the District, would authorize a payment based on a formula reflecting what the Federal Government would pay if it were a taxable entity. Under this plan, the details of which were set out in my budget message, the authorized Federal payment in fiscal year 1964 would be approximately $53 million. It is estimated to increase to $67 million by fiscal year 1969, by reason of the estimated increased ownership and use of property in the District by the Federal Government, the anticipated increased level of local tax rates, and the expected increase in property values.

Title II of the proposed bill which deals with the additional borrowing authority, proposes to authorize the District to borrow for general fund purposes from the Treasury up to 6 percent of the assessed value of real and personal property in the District. Under this proposal, a discussion of which was included in my budget message, the maximum general fund debt limit will be approximately $225 million in fiscal year 1964, and

will rise to an estimated $275 million in fiscal year 1969.

Taken together with the increases in local taxes which are being proposed by the Commissioners, the proposed bill will not only resolve the immediate urgent needs of the District, but will also relieve the District's general fund financial problems for some years in the future. For fiscal year 1964, authorization of additional appropriations for both the annual payment and capital loans is an essential prerequisite for meeting even the minimum needs of the District—for education, for welfare and health, for public safety, and for capital improvements.

Activities of the Federal Government make large and increasing demands upon the District for space, facilities, and services. The Government has an obligation to share fairly the District's burden in meeting the demands made upon it. Proper development of the Nation's Capital requires adequate financial resources, and I believe that enactment of this draft legislation is essential to the achievement of this objective. I therefore hope that early hearings will be held, and urge that favorable action be taken by the Congress on this important legislation.

Sincerely,

JOHN F. KENNEDY.

COMPENSATION FOR RANGE IMPROVEMENTS ON CERTAIN LANDS

Mr. BIBLE. Mr. President, I introduce, for appropriate reference, a bill to compensate range users for range improvements where land is taken to be devoted to Federal nonmilitary use.

The purpose of this bill is to provide a means of equitable treatment to range users who have made personal investments on public domain in pursuit of developing better acreage for the raising of livestock, and at the same time providing needed land conservation.

At present, those who have invested substantial moneys in the construction and development of range improvements have no protection under the law in the face of Federal requirements of the land for other than military or national defense purposes.

I might point out that lands taken for military use are excluded from the scope of this bill since the act of July 9, 1942—56 Stat. 654, as amended, 43 U.S.C. 315q—provides for compensation to grazing licensees or permittees who are forced to sustain losses by reason of cancellation of or prevention of use of authorized grazing privileges resulting in the usage of lands for war or national defense purposes.

Part of the development of our range lands in the area of improvements—a continuing project since enactment of the Taylor Grazing Act—has been borne in cooperation with the Bureau of Land Management, the cost of such development having been shared by the permittee or licensee and the Federal Government.

But it is a fact conceded by the Bureau of Land Management that in the majority of cases, these necessary improvements have been financed entirely by stockmen under authorization permits granted by the Bureau of Land Management.

These private expenditures, totaling several million dollars, have contributed to the improvement of the management and development of the public lands involved.

Mr. President, early in the administration of the Taylor Grazing Act, regulations were approved by the Secretary of the Interior which provide that in the event public land is appropriated by an individual, the appropriator will be required to compensate the stockman permittee or lessee for his contribution to the cost of the grazing improvement at its current value.

The regulation contemplates that any Federal department or agency applying for the withdrawal of lands will compensate grazing users for the loss of grazing improvements. However, this regulation is not grounded on any statutory authority dealing specifically with the subject, but rather upon general authority and policy. Further, any protection under this regulation is limited to situations where the withdrawal procedure is utilized. In the absence of a withdrawal, the appropriation or acquisition of the use of the land by a Federal department or agency might not afford the grazing user any protection for his improvements.

Also, should the department or agency lack authority to pay for the improvements, it, of course, cannot be required by the Interior Department to do so. This deficiency would be cured by the legislation here proposed. The bill would grant those range users having an interest in noncooperative improvements the choice of removing such improvements or of receiving the compensation provided for in the bill for all authorized range improvements. The amount of compensation would be determined by the Secretary of the Interior at the time the department or agency acquires the use of the land and would be based on the fair and reasonable value being depreciated to the date the department or agency acquires the use of the land.

In the case of the cooperate improvements, range users would receive compensation in proportion to their contribution to the total cost of the improvement based upon the fair and reasonable value thereof depreciated to the date the use of the land was acquired by the department or agency.

Mr. President, the livestock industry is in a critical economic condition, a truth brought home during recent hearings of the Senate Public Lands Subcommittee. It is an industry which does not have many of the protective features which have been legislated for other industries of comparable importance to the public welfare.

Enactment of this bill, Mr. President, will be one way the public can demonstrate, through its Congress, that it has not completely forgotten the merits of protecting the continuity of a valued cornerstone of America.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 872) to compensate range users for authorized range improvements where land is taken to be devoted to Federal nonmilitary use, introduced by Mr. BIBLE, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

CONVEYANCE OF CERTAIN PUBLIC LANDS TO LINCOLN COUNTY, NEV.

Mr. BIBLE. Mr. President, on behalf of my colleague, the junior Senator from Nevada [Mr. CANNON] and myself, I introduce, for appropriate reference, a bill to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the county of Lincoln, State of Nevada.

Mr. President, in Lincoln County we find a graphic illustration of a condition prevalent throughout the State of Nevada wherein expansion is arrested because communities are landlocked by immense Federal holdings.

At present, about 87 percent of the 110,000 square miles that make up the land area within the boundaries of the State of Nevada is under Federal ownership.

The problem this encirclement of Federal land presents to communities, whose population is growing daily and industrial capacities are continually increasing, is obvious.

But the matter of landlocked Pioche, Caliente, and Panaca—Lincoln County's principal communities—is one that compels even more urgent attention. These three communities have been crippled by the closing of lead-zinc mines which for many years were the foundation of their economy.

Now, Mr. President, the area seeks to break the bonds of its depressed economy by opening new lands upon which some other type of industry could locate. But the citizens of the area have been unable to attract attention to their purpose simply because of a lack of land.

This proposed legislation provides that 2,900 acres of land would be sold to the county after appraisal for its fair market value.

It is my belief, Mr. President, that this bill would be a cornerstone for the rehabilitation of Lincoln County and its citizenry, and I urge Congress to give it prompt and favorable attention.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 873) to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the county of Lincoln, State of Nevada, introduced by Mr. BIBLE (for himself and Mr. CANNON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

ARMS CONTROL AND DISARMAMENT

Mr. CURTIS. Mr. President, I have prepared a concurrent resolution which reads as follows:

S. CON. RES. 21

Whereas the security of the United States and the strength of free world alliances are directly affected in any consideration of arms control and/or disarmament; and

Whereas the Eighteen-Nation Committee on Disarmament, meeting in Geneva, is considering steps toward general and complete disarmament; and

Whereas bilateral negotiations for the removal of intermediate range ballistic missiles are underway between the United States and

several of its partners in the Atlantic alliance: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the American negotiating position in arms control or disarmament discussions include these safeguards:

(1) Complete on-the-spot inspection of all areas involved in arms control or disarmament agreements with Members of Congress included as members of the inspection team.

(2) Reporting of the President of the United States to the appropriate committees of Congress, of any and all steps taken by him which would tend to alter existing ratios of weapons and the effectiveness between this Nation and its allies, and the Soviet bloc of nations.

(3) All preliminary and final arms control or disarmament agreements be embodied in treaties subject to the advice and consent of the Senate of the United States.

Mr. President, I send the concurrent resolution to the desk and ask that it may remain on the desk for 10 days. A number of Senators have expressed an interest in cosponsoring the proposed legislation, and I welcome all possible cosponsors.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred; and, without objection, the concurrent resolution will lie at the desk, as requested by the Senator from Nebraska.

The concurrent resolution (S. Con. Res. 21) was referred to the Committee on Foreign Relations.

THE WILDERNESS BILL—AMENDMENT

Mr. ALLOTT. Mr. President, I send to the desk an amendment relative to S. 4, the wilderness bill. I ask unanimous consent that it remain at the desk for 4 days to receive such additional cosponsors as may wish to cosponsor the amendment.

The VICE PRESIDENT. The amendment will be received, printed, and appropriately referred; and, without objection, the amendment will lie on the desk, as requested by the Senator from Colorado.

The amendment was referred to the Committee on Interior and Insular Affairs.

RECORD OF VERMONT COWS IN BIGGER AND BETTER HIKES

Mr. AIKEN. Mr. President, without meaning to belittle in any way the ambitions of the White House staff or the accomplishments of the Office of the Attorney General, I desire to ask unanimous consent to have printed in the body of the RECORD an article entitled "Brandon Cows Once Walked 1,200 Miles." The article was published yesterday in the Rutland, Vt., Herald.

Mr. President, the article refers to the time when two Vermont cows, named Alice and Tomboy, walked from Brandon, Vt., to St. Louis, Mo., a distance of 1,200 miles, in 90 days. To be sure, that was less than 15 miles a day. They could have walked much faster; but besides walking from Vermont to St. Louis, to show their physical fitness, those two cows gave an average of 40 pounds of milk a day while they were on that 90-day hike.

If it were not for that, I would be tempted to challenge—on behalf of the Vermont cows—the White House staff to a walk of any distance of 2 miles or more. But inasmuch as the production of 40 pounds of milk daily would present an insurmountable obstacle to the White House staff, I shall forgo issuing the challenge at this time, and simply ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRANDON COWS ONCE WALKED 1,200 MILES

BRANDON.—Some of the older folks in this tiny town have to smile when they read about all the 50-mile walks being taken these days. They remember the feats of a pair of Vermont strollers back in 1929.

Alice and Tomboy were their names, and they walked 1,200 miles in 90 days from Brandon to St. Louis, Mo. They were headed for the National Dairy Show where they became star attractions.

Alice and Tomboy were prize Ayrshire cows. Their walk across seven States, with three men accompanying them, was a stunt to promote the breed at the show. The bossies were equipped with ox shoes for the summertime journey.

Vermont Life magazine reported that right up to the last mile Alice and Tomboy averaged 40 pounds of milk daily.

The three men took turns leading the cows and rested in a truck they used to carry their equipment.

TAX CUT WOULD BE CERTAIN TO INCREASE DEFICIT

Mr. PROXMIRE. Mr. President, it is virtually certain that the administration's proposed tax cut would not in any time period and under any circumstances reduce the deficit or hasten the Nation's achievement of a balanced budget.

Many of the top administration advocates of a tax cut have argued that it would lead to such a stimulation of business and employment that Federal revenues would eventually be higher even at the lower tax rates. This is the prime basis for the astonishing administration claim that the responsible citizen should support a tax cut. This basis is almost certainly wrong.

Calculations based on the whole sweep of witnesses appearing this year before the Joint Economic Committee show that the longrun net loss of revenues flowing from the $10 billion tax cut would probably be about $6⅔ billion. Even under the most favorable assumptions of the tax cut's most vigorous advocates there would be a $1 billion loss.

The effect of the tax cut on Federal revenues depends on two calculations: First, how much would the tax cut stimulate spending and investing, and therefore increase income; second, how much of that newly generated income would the Federal Government gain in revenues at the lower rate?

Most expert witnesses before the Joint Economic Committee contended that the stimulative effect or "multiplier" would be between 2 and 2½—in other words, that a $10 billion tax cut would increase the gross national product by $20 to $25 billion.

The consensus was clear that monetary restraint of the kind the Nation's money managers told the committee they expected to practice would reduce this multiplier. One monetary expert estimated that such a monetary policy would probably result in a multiplier of 1½, or a $15 billion increase in the gross national product from a $10 billion tax cut.

All things considered, a multiplier of 2, or a $20 billion gross national product increase, from a $10 billion tax cut would seem to be as reasonable a guess as any.

What would such an increase in the gross national product, flowing from such a tax cut, mean to ultimate Federal revenues? Here, again, the expert witnesses differed. Dr. Arthur Burns, of Columbia University, and former Chairman of the Council of Economic Advisers, estimated it would be about one-sixth. His estimate is confirmed by relating Federal tax revenues to the size of the gross national product. The relationship is about one-sixth.

On the basis of such an estimate, the net loss from a $10 billion tax cut, allowing for a $3⅓ billion increase in revenues, would be $6⅔ billion.

On the other hand, the Council of Economic Advisers testified that the Federal tax recovery from increased gross national product is 30 percent. Even on this cheery basis, Government revenues would increase only $6 billion as a result of the $10 billion tax cut, and the net loss would be $4 billion.

Even if we take the most optimistic multiplier assumptions of the Council: that the multiplier is 3, and that a $10 billion tax cut will increase the gross national product by $30 billion, and if we apply the optimistic Council 30 percent figure for Federal tax recovery, the total recovery of revenues would still be $9 billion and the net loss would be $1 billion.

Mr. President, I think these calculations are extremely important. Those who say that the responsible attitude toward a balanced budget is to reduce taxes, because that will stimulate business and will eventually increase revenues, simply have not taken the time or trouble to compute what a tax cut could do or would do. If they work it out carefully, I believe they must come to a contrary conclusion; and thus they must recognize that, whatever else a tax cut may do, it will not bring us closer to a balanced budget. It will surely increase the national debt.

ELECTIONS STACKED UNDER NATIONAL MEDIATION BOARD

Mr. CURTIS. Mr. President, the National Mediation Board is currently furnishing a good example of how to stack an election. I am referring to National Mediation Board Case No. R–3590—a union representation case involving the Brotherhood of Railway Clerks, the International Association of Machinists, and, of the utmost importance, the employees of United Air Lines. The issue is

the free choice of these employees in a representation election soon to be conducted by the Board.

Here is the situation. The Board intends to conduct an election in the class of clerical and related employees of United Air Lines to determine whether these employees wish to be represented by a union and, if so, by which union. The ballot on which the employees will exercise their vote states that the purpose of the election is to permit the employees to select a union to represent them. On the ballot are the names of the unions and a blank space for the employees to insert the names of some union or individual not listed on the ballot. It is significant that there is no designated space provided on the ballot for an individual to indicate that he does not want any union or any representation of any kind, although, in fact, this is one of the choices available. The Board does not undertake to inform the employees of their choices or how they may indicate on the ballot or otherwise that they want no representation. The employees are thus left with the clear inference that they must choose some union or some individual.

As if this were not enough, consider further how the Board conducts the actual election. Under Board procedures an election is valid only if a majority of the employees in the craft or class cast valid ballots. A union or individual receiving a majority of the valid ballots is designated as the representative. If no organization or individual receives a clear majority of valid ballots, or if less than a majority of eligible employees cast valid ballots, there is no election. But, it is significant, and this is not generally appreciated, that a valid ballot, in the eyes of the Board, can only be one for a recognizable organization or individual. In other words, if an eligible individual votes for no union or no representation, his ballot is invalid. It takes no great imagination to see that under this practice a union may be selected by as few as 26 percent of the employees. To put it another way, the union adherents have a 2 to 1 advantage over those desiring no union.

This type of procedure is shocking to me as it must be to others. It is certainly way out of line with the normal democratic processes of our Nation. The National Labor Relations Board has conducted many thousands of elections, and its election procedures provide for a ballot where employees may choose one or more unions or vote for no union at all. I see nothing in the Railway Labor Act which would prevent the Board from using the same or similar type ballot, and I see no reason why the Board should not change its procedures immediately. Certainly there is nothing wrong with giving employees a free expression of their will.

The Board, in attempting to justify this untenable position, claims that the Railway Labor Act contemplates that collective bargaining between carriers and employees be conducted only through duly designated and authorized representatives, and that the Board take steps to encourage employees to select unions rather than remain unrepresented. The Board feels that its election procedures are designed to bring this about. I doubt that Congress ever intended any such unfair result. If Congress had intended to deny employees a choice in this matter, it would have inserted a specific provision in the act to that effect.

I am calling this situation to the attention of my colleagues in the Senate so that they will understand just how the National Mediation Board conducts elections. In my opinion, it is high time that the Board changed its practices to conform to democratic principles. I believe that this is the least that can be expected of an agency of the United States.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator yield?

Mr. CURTIS. I yield to the distinguished Senator from Ohio.

The VICE PRESIDENT. The Chair recognizes the Senator from Ohio.

Mr. LAUSCHE. To what particular subject does the Senator make reference?

Mr. CURTIS. I am referring to National Mediation Case R–3590, a union representation case involving the Brotherhood of Railway Clerks, the International Association of Machinists, and, of the utmost importance, the employees of United Air Lines.

Mr. LAUSCHE. How would the compulsion of the stacking of governmental power behind one and against the other mainfest itself?

Mr. CURTIS. A ballot is being suggested which would not permit the employees to decide whether they wanted a union as a bargaining agent. A ballot is being suggested which would give them the choice of two unions. It is true there is to be a blank space below, but that blank space is not labeled to such an extent that the employees can indicate they do not want a union.

The VICE PRESIDENT. The time of the Senator from Nebraska has expired.

Mr. LAUSCHE. Mr. President——

The VICE PRESIDENT. The Senator from Ohio is recognized for 3 minutes.

Mr. LAUSCHE. Mr. President, I wish to express my concurrence with what the Senator has said. The ballot issued by this Board would not give the employees the right clearly to indicate their unwillingness to join any union.

Mr. CURTIS. The Senator is correct.

Mr. LAUSCHE. The only printed material on the ballot is, in effect, "You join union A" or "You join union B." If an employee does not wish to join a union he must write that in, in longhand. That, in my opinion, would not give to the workers a clear and equal opportunity to express themselves as to whether they do or do not wish to join a union.

If the employee wishes to join a union, of course, the ballot is adequately clear to enable him to mark it as he wishes.

Mr. CURTIS. I thank the Senator.

THE PRESIDENT'S TAX PROPOSAL

Mr. LAUSCHE. Mr. President, I received a copy of a letter sent out by Capital University, an educational institution of the American Lutheran Church of Columbus, Ohio. The letter was addressed "To the Presidents of Ohio Colleges and Universities Regarding Proposed Revision of Income Tax Structure." It is signed by H. L. Yochum, president of Capital University. Among other things Dr. Yochum expresses his opposition to the President's proposed tax cut in the following way:

> Certain items in the proposed revision which threaten to deter or decrease voluntary contributions are:
>
> Exclusion of the first 5 percent from total itemized deductions, such as contributions, interest, taxes, etc. (hitting those in the middle income brackets).
>
> Reduction of current unlimited deductions for charitable contributions of 30 percent (hitting those in top income brackets but perhaps offset somewhat by raising basic 20-percent limitation to 30 percent.
>
> Repeal of the $50 dividend exclusion and 4-percent credit (hitting many of the giving group).
>
> Replacement of the extra exemption and retirement income credit for those over 65 by proposed blanket $300 tax credit (hitting high-income people over 65).
>
> Changes in provisions regarding capital gains (effect not easy to predict, but viewed with suspicion).
>
> Time schedule of implementation increases costs for individuals and corporations before alleged benefits can become operative.

He further states:

> Am I right in being greatly disturbed about this proposal as it now stands, and that I may expect you to share this concern, for the following reasons?
>
> This is a further invasion of the right of the individual to bestow his money as he sees fit.
>
> This is an acceleration of the trend toward socialization and federalization.
>
> This is bound to diminish voluntary support of educational, religious, and charitable institutions and other worthy causes.
>
> This is bound to increase dependence of these institutions and agencies upon Federal largess.

On that score, I sometimes think that is what the Congress contemplates in the philosophy which is being manifested—to destroy individual initiative and individual purpose to care for one's self and to stimulate dependence upon the Government; not to support institutions of higher learning by gifts, but to make them come to the Federal Government for largess. When they do that the Federal Government will be able to tell them what they should do, by way of teaching and otherwise.

The VICE PRESIDENT. The time of the Senator from Ohio has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Ohio may proceed for an additional minute.

The VICE PRESIDENT. Without objection, it is so ordered.

URBAN TRANSIT DEVELOPMENT ACT OF 1963

Mr. LAUSCHE. Mr. President, on February 14 I introduced a bill entitled "The Urban Transit Development Act of 1963 (S. 807)," which in my opinion offers the soundest and most practical approach to a Federal urban transit pro-

gram. As I pointed out then, this bill is intended to help the Nation's urban areas develop adequate transit facilities through local initiative and resources without initiating a new and permanent Federal subsidy program.

I wish that Senators who are not familiar with my proposal would listen to a description of what my bill contemplates doing. It does not contemplate giving away Federal money. It is not a gift proposal, as is the proposal made by the Senator from Delaware [Mr. WILLIAMS]. The Senator's bill contemplates presently a $500 million program of gifts to all urban communities for the purpose of buying buses, facilities and equipment.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. LAUSCHE. I meant the Senator from New Jersey [Mr. WILLIAMS]. I beg the pardon of the Senator from Delaware. A word of this type should never, under any circumstances, be ascribed to the Senator from Delaware. The last thing one could say would be that the Senator from Delaware would be giving away the taxpayers' money.

My bill contemplates putting the subject of urban transportation in the Department of Commerce and taking it out of the Housing and Home Finance Agency. Second, it contemplates a Federal program supported by a $50 million appropriation, which would be used to guarantee the payment of borrowings made by local transportation systems to expand their service. Third, it would authorize the creation of a separate special fund in addition to the normal depreciation fund, that special fund to become tax exempt if it were used to improve and expand local transportation service.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, I am heartily in accord with the effort the Senator from Ohio is making to have the railroads help themselves through governmental guarantees rather than through grants. That, as I understand, is the purpose of the Senator's bill.

Mr. LAUSCHE. That is correct. There already is in existence a guarantee loan program for railroads.

I had one further comment with respect to the bill. There are now situations wherein State and local governments have granted tax exemptions to transportation systems, but the full benefit of the tax exemptions has not become available to the transportation systems because the Federal Government comes along and taxes the grants and dispensations that have been made.

Those are the four principal objectives of my bill. If any Senator is against giving away of the taxpayers' money and desires to help local transportation systems, I respectfully submit my approach to the problem will achieve the objective and will be the fairest one to the taxpayers.

The PRESIDING OFFICER (Mr. MCGOVERN in the chair). The time of the Senator from Ohio has expired.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that I may have 2 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, my bill embodies a program of fiscal health. I want Senators to understand that I did not say "physical" health. The bill contemplates fiscal health of the Federal Government. I think the time has come when we had better start thinking of giving strength and stability to the fiscal position of the Government which has been so good to us and which means so much to the free people of the world.

We constantly hear about physical health. We hear suggestions, "Walk 50 miles"; or "Get on the top of a telegraph pole and sit up there as an exhibition. You will get some newspaper publicity out of it." I submit the program I propose is far more fitting to the times than the idle talk we are listening to and reading about in the papers every day.

I ask my fellow Members to join me in the sponsorship of the bill.

In addition, I ask unanimous consent that there be placed in the RECORD a recitation of the many places in the country that are proceeding to solve their own problems in this area.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF DELMAR F. DRUMM, WAUSAU AREA CHAMBER OF COMMERCE, WAUSAU, WIS.

Mr. DRUMM. My official capacity here is representing our board of directors, our national affairs committee, and a special mass urban transportation committee which we have had in existence for some time.

My reason for testifying here is the fact that we have resolved our local mass urban transportation problem. I would like to tell you just how we have done this, what our problems were, and what the current situation is to date.

Our problems were manifold. Basically, however, our company, our local company, which services more than Wausau—it services an area of Schofield, Rothschild, and Wausau Townships—had declining patronage due to many reasons, and as a result they had an operation deficit from 1955, 1956, 1957, and 1958, of upward of $8,000 per year. The employer-employee relationship was poor. This company was a private company acquired from a large public utility in our area. The utility had sold out this portion of their assets, and this local company acquired the franchise rights to service our area.

We had absentee ownership. The ownership and top management of the company resided in the Chicago area. So there was a sort of a feeling of mistrust that existed between business people of the community and the absentee owners.

We had no local municipal understanding of the problems that existed, such as a change of routes, of schedules, or a number of other little factors, including parking facilities on the main discharge.

From 1954 to 1957 a retail council executive committee, a division of our chamber of commerce, met at least twice annually with the company management to try to gain a personal acquaintance with the problems they were faced with. In December 1957, they appointed a special study committee, and this committee obtained information from transit companies in communities across the Nation—jitney service in Atlantic City, coupon service out in Denver, special cut rates in New Orleans.

The study committee examined the company's financial records, with their permission. We analyzed the type of riders they had, the frequency of service, the cost of such service. And in June of 1958, this committee of ours, which consisted of 10 business leaders in the community, put the following plan of action into effect, a plan of action which we think any community in the United States can put into effect.

First, we curtailed service by one-third, and we did so without developing any customer complaints. Less frequent vehicles were placed on each of the routes. The time element was extended. Instead of 12-minute service we went to 30-minute service. Instead of running until 9 o'clock every night, we closed down at 6 o'clock. Instead of running on Sunday morning, when it was unprofitable, we omitted it from the entire schedule.

Second, we held many meetings with the officials of the local school board, and we did convince them that the cost of hauling the students from outside of the 2-mile radius, based on the tickets that were redeemed by these students should be increased from 12½ to 16½ cents per student. We had to obtain the approval of the city council finance committee, which ultimately provides the school board with their funds; or, in this case, the school board is reimbursed to x amount of dollars from the State through the city. The increased school fares were incorporated in the board's budget, with the approval of all committees.

What was most important here is that this fare increase was approved by the Wisconsin Public Service Commission without any public hearing, without the expense of a public hearing; and all parties had indicated this approval in writing.

Third—this was the summer of 1958—the company had no cash reserve funds with which to operate over the summer period, and this is the tough period for our transit company. They lack the school business. They told us they would need a minimum of $7,500 to carry them over the summer months. We agreed, and did raise $2,500 from retail businessmen in denominations of $5, $10, and $15, up to $200, $300, and $400, as a loan to the transit company, to be repaid as soon as possible.

We did convince the school board to purchase tickets for their students who reside out of the 2-mile radius in advance, in a gross amount of $2,500.

We did convince the employees of the company, through their union, to agree to loan the company $2,500. I am very sorry to say that this latter proposal was reneged upon.

At this point we had a transit company that had $22,000 in outstanding obligations, of which a major portion was owed to the Bureau of Internal Revenue. We went to the public and asked them for help.

In July 1958 a strike was threatened by the union. The negotiations were satisfactorily completed by my committee, and a new contract, for 1 year, was signed.

In September of 1958, Internal Revenue informed the company that they were definitely going to foreclose, because of the failure of this company to pay taxes, including funds withheld from employees for social security and withholding. The taxpaying record of this company was very poor. The total past due obligations to Internal Revenue exceeded $7,000. We met almost daily during this period, negotiating with Internal Revenue, convincing them that the only way they would obtain these funds, this money, was to permit this company to operate. But it became very apparent at this stage of the game that we would have to have some more definite concrete information.

So my retail executive committee authorized our subcommittee to prepare an operating projection, by a reputable accountant residing locally. This was completed, and it indicated what we had believed to be true: That the company did stand a chance of breaking even by June 1959. But the 1959 summer would result again in a $12,000 to $15,000 loss due to the lack of the summer patronage.

In October 1958 the company lacked the cash to meet their payroll. We agreed with management that they should issue two checks—one that could be cashed immediately, and one that could be cashed a week later when sufficient income was obtained. A strike was again threatened. The company also owed the union pension fund $1,800. It also owed an $893 payment on the building which had been acquired through the union fund. Our committee sat many times at the bargaining table, along with the Wisconsin labor relations representatives, and we successfully concluded negotiations. We averted the strike.

But in June of 1959 the creditors, the local creditors, became impatient. So each day we had a new crisis occurring, and each day a member of our committee would sit down and work out this crisis.

For example, we needed spare parts, and no spare parts firm would provide these on credit to the company—and logically so. We made arrangements with a Chicago company to give us those parts on a consignment basis. Buses were sold as far away as South Dakota, to provide the necessary cash to meet payrolls, and these were buses that were no longer used because we had curtailed service.

The school board agreed that they would pay semimonthly, based on tickets redeemed, instead of monthly.

By February of 1959 the president of the transit company asked anyone for any proposal by which $15,000 to $18,000 could be raised by the coming summer to cover their expected deficit. I am very happy to say that although we did not raise the money at that moment we were able to work out satisfactory arrangements. But in February 1959, because there was nothing formal in writing that the company could count upon, they petitioned the Wisconsin Public Service Commission to abandon service as of May 29, 1959.

The hearing was held March 12. Another hearing followed that. There was very little public opposition to this hearing; in fact, even my retail executive committee did support the abandonment of the company, indicating they had done all they could along this line.

The projection we prepared was analyzed by the Wisconsin Public Service Commission, and they felt as we did that if this company were given enough time in which to work out its own problems it could do so. So they denied the petition to abandon service, feeling it was premature, but put itself in a position whereby no additional public hearing would be necessary should they have to abandon service because of lack of operating capital for that summer period.

We might say that it pretty much repeats the first summer period. We worked out most of the arrangements for the second time. The commitments made by the company were all paid as agreed.

Their current status is this, and this is the thing I think you would be most interested in: They are expanding their service into the urban areas surrounding our community. They are expanding their service on a competitive basis with the school systems in the suburban area for schoolchildren; and to do this they had to go back through their own employee organization to revise their working rules to permit them to pay a lower rate of pay to the part-time drivers they have. They have been able to find credit to buy new diesel equipment, the newest equipment they could possibly afford. They have a local and open line of credit at local financial institutions which, of course, they use with discretion; but they use it wisely.

And they have been successful. They are operating with a small profit each year.

This is the story of our transit system, and the committee that helped them solve their problems.

We feel very strongly that our problem was a local problem and one that only can be effectively dealt with at the local level. Financing was just a small part of this thing. It is the cooperation between people and the understanding between the various organizations and people that really was the reason for the success.

We think it is extremely unfair to use public funds to support a mass urban transportation system that services few people as compared to the national scope by using, perhaps, tax funds from our company. In our opinion a subsidized transit system is a dead one, one that will continue to look for handouts, one which will merely prolong the problems.

Thank you very much.

STATEMENT OF R. W. PRUDEN, EXECUTIVE MANAGER, ZANESVILLE CHAMBER OF COMMERCE, ZANESVILLE, OHIO

Mr. PRUDEN. * * * I am appearing here in opposition to the mass transportation bill and to point out what has been done by the citizens of my community when faced with the loss of their local bus transportation system.

To give you a little background on the type of people we have in our community, twice during the past 5 years they have voted to impose upon themselves a 1-percent city income tax for the operation of their city. In the last election they also voted for every school and health bond issue.

In 1954 they voted in favor of bonds to erect a $4 million high school.

In a community of continuing industrial and economic growth this might not seem to be an extraordinary achievement. However, for the past 2 years Zanesville has been classified by the Department of Labor as a "persistent and substantial labor surplus area."

At the present time approximately 3,200 men and women would accept employment, according to the report of the Ohio Bureau of Unemployment Compensation.

In February 1962 the citizens of Zanesville again demonstrated their American heritage by contributing funds to have local bus transportation for their community.

In February 1961 the city administration was notified by the bus company that they would not renew their franchise in February 1962.

The city administration immediately advertised in various publications read by bus operators that the city of Zanesville franchise for a local bus transportation system was available.

Several inquiries were received and negotiations with various individuals continued until late January 1962, in the hope that private enterprise would continue to operate the bus system.

At this time a public meeting was called by the city council at the request of the bus drivers' union to explain the problem. Approximately 1,000 people attended. Free transportation was provided by the bus company and the drivers. The company operating the system had offered to sell the 24 buses for $25,000—$10,000 down and the balance over a period of 3 years. The owner also asked $60,000 for the building used for storage and maintenance of the buses.

After discussing the problem, a steering committee was appointed consisting of the executive manager of the chamber of commerce as chairman, the city manager, the superintendent of schools, and the president of the drivers' union.

Many meetings of this group were held in an attempt to determine where the funds could be obtained.

The committee estimated that $18,000 would be needed in order to begin operations. The committee determined that the city should not be in the bus business and, further, that the school system should not purchase buses to transport students even though the State of Ohio would pay 65 percent of the cost of purchasing and maintaining the buses needed.

A plan was finally worked out whereby the city would purchase the garage which could be used for its own equipment in the event the bus system failed. It was then decided to conduct a public campaign for funds to purchase the buses.

Three trustees were then appointed—an attorney, a certified public accountant, and a store manager. They were assigned the responsibility of determining the price of the stock to be sold to the public, act as recipients of the funds, and, as later developed, they served as proxy holders at the organization meeting.

The trustees came up with the plan of selling $10 shares of stock in a profit corporation and the alternative of donations to the fund. A deadline of 10 days was set to raise the $18,000.

Mass media—newspaper, radio, and television promotions—helped to publicize the project. Radio and television appearances and newspaper editorials and stories carried the campaign to the public.

The newspaper carried a coupon each day which could be returned either with an investment or as a request for someone to call and explain the situation, and the busdrivers handed out similar information to every passenger. Most of the requested calls were made by the busdrivers themselves, on their own time.

The chamber office served as headquarters and two retired businessmen volunteered to be present at all times to accept money and reports.

Solicitors were organized by a retailer who came forward and devoted a great deal of his time to the project.

The president of the Drivers' Union did an outstanding job and the drivers themselves started the campaign with the announcement that 18 of them had purchased $3,600 worth of stock.

On the final day of the campaign it was announced that 856 firms and individuals had purchased $34,255 of stock which permitted the outright purchase of the buses, leaving the balance for operating expenses.

At the subsequent stockholders meeting the board of directors and officers were elected, composed of businessmen and busdrivers, who are now operating the Y-City Transit Co., a citizen-owned bus company.

Thus, the citizens of Zanesville again demonstrated their "ability to do for themselves" and thereby set an example for the other communities in this Nation to follow.

STATEMENT OF HEATH D. ANDREWS, MANAGER, BINGHAMTON CHAMBER OF COMMERCE, BINGHAMTON, N.Y.

Mr. ANDREWS. Good morning, Senator. I am Heath D. Andrews, manager of the Binghamton Chamber of Commerce, Binghamton, N.Y., a community of about 78,000 population, the center of a metropolitan area of about 250,000.

Binghamton is located on the southern border of New York State, in what we call the southern tier. I would like to give you an example of something that parallels some of the cases that you have heard previously here, but in a little different manner. In 1954, the operators of our local transportation company came to the chamber of commerce and advised us they were having finan-

cial difficulties, and it didn't look good for their operation. At that time we formed a committee of local business people to study their problem, to see if we could give them some assistance.

We came up with a four-point program, which basically involved tax relief, financing, promotion, and cooperation. At the time, 1954, the State of New York imposed a 2-percent gross receipts tax on utilities of this nature. And the cities were given the right to impose a 1-percent gross receipts tax. We felt that the first and quickest method for us to give them some relief—because as you realize these taxes were taken off the top, whether there was any profit or not—we felt that the quickest way to give them relief would be to try to get those taxes removed. Our efforts at the State legislature, in 1954, were not successful, but in 1955 we did help get the law of the State changed to allow local municipalities to remove the tax and for the State also. So in 1955, right in the middle of their low period, they did receive some relief by having the 2-percent tax on the State level, and the 1-percent tax on the local level, removed.

In 1955, the bus operators told us that they still were in trouble and that they might have to go out of business. They were running at deficits, and I won't go into dollars and cents for you, but they were averaging $60,000 to $80,000 a year.

In 1956, they proposed that they would have to go into bankruptcy, or have the municipality take it over as a public operation. The chamber, at that time—and I use that term synonymous with commmunity because the chamber is the community, because the chamber is the community at work, through its committee—felt if the community were to take over the operation, it would be just a question of the city having to subsidize the operation for those deficits. The subsidies probably would continue, from the experience of other communities that we were able to check with, where we found the communities were forced to put up more and more taxpayer's money each year for the operation of their local transit companies. So we did everything in our power to try to assist the local company, to find either a buyer or a better financing.

As it turned out, an experienced operator with capital was interested and did come in our community. He did so because we offered him a $40,000 loan, if he needed it, to start the operation of this company. The $40,000 was in a fund we had already raised for industrial development purposes in our community, and we were willing to devote it, or divert it, to this purpose in the interest of community transportation.

Incidentally, they never called on us for that loan. The year they took over the company, 1957, there was a $60,000 deficit, and in 1958 they were able to break even, and they have been operating in the black ever since. How did they do it?

Well, they did it because, first, they streamlined their operations, and they had the interest of the community and the promotional efforts of the community, and the cooperation of the community behind them. The chamber of commerce financed and paid for over $250,000 free bus rides in a period of 2½ years, which of course was a twofold program to help retailing in the community, as well as the bus company. We promoted prices to bus riders, that brought to the public attention the facilities of the buses. And the municipality and the community in general gave their full cooperation to the bus company in allowing them, with no difficulty whatsoever, to eliminate unprofitable runs, combine runs, and add new schedules wherever they felt they could be profitable. Today the company is expanding its operation, it has put on new equipment, all of the old equipment has been replaced with new modern buses. We feel that this is a perfect example of how, when a community will take a look at its own problem and have a desire to want to do something about it, it can do so on its own. I have tried to shorten my presentation to you, because the others are so parallel. I won't go into dollars and cents, but by the full cooperation of their employees, the union, and the community, they were able to take a company that was in the red and put it into the black. And it appears to be in healthy condition today. I might also add, while it is not my community, the same people took over the defunct bus company in Yonkers, N.Y., and they are operating it today at a profit by using some of these same methods.

Incidentally, Yonkers, N.Y., I believe, was one of the last cities in the United States to raise the old 10-cent rate to 15 cents. Basically, that is the story of Binghamton, N.Y.

STATEMENT OF ARTHUR M. STEPHENS, TRANSPORTATION DIRECTOR, EVANSVILLE CHAMBER OF COMMERCE, EVANSVILLE, IND.

Mr. STEPHENS. Sir, my name is Arthur M. Stephens, transportation director of the Evansville, Ind., Chamber of Commerce, appearing here as a representative of this organization to present a statement of our views concerning this proposed legislation.

I have a prepared statement, but since I might interpolate a few things as I go along, I am going to read the statement just the way I have written it, and interpolate as I find the necessity to do so.

Senator LAUSCHE. Fine.

Mr. STEPHENS. It appears from this proposed legislation that eligible applicants for assistance would be States and local public bodies and agencies thereof, and that no grants or loans shall be made for a project involving acquisition of facilities or property of private motor transit systems unless (1) such assistance is essential to the program for a unified coordinated urban transportation, (2) the program provides for participation of private mass transportation companies to the maximum extent feasible, and (3) just compensation will be paid to such companies for their franchises or property to the extent required by applicable State or local laws.

I might digress here for a minute and say that Evansville is the fourth largest city in Indiana, with a population of approximately 142,000, and nearly 200,000 population in the metropolitan area, which includes Henderson and Jefferson and Vanderburgh Counties, and the city of Evansville. Several urban lines are operated, they are buslines and, of course, you probably know, Senator, that the State of Indiana, so far as the Evansville operations are concerned, extends a certificate of permissive authority under the Motor Carrier Act, or the statutes of Indiana.

For the present it is the intent to provide that this aid shall only be given to those transportation systems which are operated by the Government; therefore, we can foresee no early or future development in Evansville that would influence us to change our free enterprise conviction which is supporting private operations of our local bus system now and for the immediate future. We, thus, have no reason to record any endorsement of the mass transit relief as proposed.

The Evansville city transit story may be repeated here, and I will quote it as I wrote it several months ago for several publications:

"During 1958, and for almost 10 months immediately prior to the initial operation of Evansville's new urban transit system, starting February 23, 1959, and as presently serving the entire populace of the city, local citizens, merchants, businessmen, and others, following the lead of the chamber of commerce, were confronted with many complex problems in their efforts to restore normal city bus service under private management.

"These problems stemmed from the alleged unprofitable operations of the 1958 owner and his oft-repeated threat to increase fares higher than the level of those established in other cities of comparable size, to curtail and limit service, and, finally, the official and definite announcement that all city bus service would be terminated in Evansville as of 5 a.m., Friday, February 13, 1959.

"Such alternate proposals as municipal ownership with or without municipal operation, subsidization of the urban transit system by business interests as a community necessity, and campaigns to encourage bus riding to avoid any possible demand for help from the taxpayers found little favor as either a partial or complete remedy since the community leaders were unalterably opposed to other than private management and operation of the transit properties. Ably helped by the Public Service Commission of Indiana in its consideration and disposition of the several applicants for the Evansville urban transit privilege, the chamber of commerce, the mayor, civic, commercial, and other business agencies concluded that where essential to the continuance of privately operated transit, every device that was practicable should be used to maintain this needed public service without resort to municipal operations.

"The final realization was that Evansville's enterprising group of citizens and businessmen had to make it possible for the local population to have ready access to the central city, and to find ways of stimulating greater transit patronage. Seen in prospect was the assurance of a new and experienced operator, with improved equipment, plenty of courtesy, and hard work that has made for the continued existence these last 4 years of a cooperative segment," and a fairly reasonably profitable segment, on the assumption, of course, that the community was ready to help them out if they had a need for revenue "of the privately owned transit industry, and the preservation of business district values.

"Through the efforts of local groups, a number of applicants who were interested in the bus service were encouraged to submit applications. The chamber of commerce conducted a thorough study which revealed that the present operator appeared to have the best know-how, capital, and operating experience to carry on the bus operation in Evansville and he was given the support of the chamber and other groups.

"The present operator has, during the past several years, increased his schedule, provided for modernization of his operating equipment, and has provided adequate mass transit service for this community under the circumstances. He has, thus, justified the confidence that the community placed in him and confirmed our view that continued existence of a privately operated transit system is essential to our local economy and will be supported if and when there is a revenue increase needed and justified by the present operators."

In our opinion, passage of a program involving Federal aid simply means that the Federal Government will raise the needed revenues through general taxation, or else it will be an added burden on all taxpayers through an increase in the Federal debt. Because everyone is taxed to support the Federal Treasury, the burden will be placed on those urban areas which have already solved their transportation problems, as well as those that have not.

At this point I feel it is opportune to indicate the support that the newspapers, in Evansville in particular, have given to the idea of the free enterprise principle of operating these private systems. On January

16 of this year, in the Evansville Courier, there is this editorial comment:

"Traffic studies reported at a Detroit engineering congress last week were a reminder that cities' problems are much the same all across the country.

"The experts agreed that automobiles are slowly crowding themselves out of the downtown areas. There are so many that they can hardly move during peak traffic periods.

"The experts also noted that parking lots require a larger and larger share of downtown space each year. Their very existence causes the central section to spread out so far that it can no longer fulfill its main purpose, which is concentration of a wide variety of business and commercial enterprises in a small convenient area.

"The experts were talking about New York, Los Angeles, and a few other tremendously large cities. But the same observations apply in some degree to Evansville and every other metropolitan area.

"Despite a slump that has persisted ever since the end of World War II, the logic of the whole situation points to a revival of mass transportation. Congress appropriated $75 million last year to help communities improve their urban transportation systems.

"This year the American Municipal Association will press for $250 million in Federal grants and $100 million in Federal loans to help relieve urban traffic congestion.

"All of this suggests that Evansville is fortunate in having both city and suburban bus systems. If satisfactory equipment and schedules can be maintained at reasonable rates, the lines may do much during the next few years to alleviate downtown congestion.

"It has to be done on a self-supporting basis. Subsidies are self-defeating because they remove the incentive for improvement.

"Still it would be well for the city, our business firms, and promoters of public events to realize that mass transport is a distinct but perishable asset. Any cooperation that can be given in the way of promotion, scheduling, and regulations will bolster a service that should be considerably more important to the whole community in the future."

In the city of Evansville at the present time there is the highest degree of confidence in the ability of our present operator to meet his obligations both to the public and suburban areas.

[From Highway Highlights, October-November 1962]

THE WONDER WORKER OF HOUSTON AND WICHITA

(Bernard Calkins, who has revitalized bus operations in both cities, believes strongly in free enterprise.)

On September 6, 1961, there was a long parade up Main Street in Houston, Tex. Under police escort, 100 brandnew blue and silver buses drove up the street, one after another, before the admiring view of about 50,000 Houston residents. The air-conditioned, luxury transit equipment represented a new era in mass transit in the Texas metropolis.

And it was a typical bit of master showmanship by Bernard E. Calkins, a hard-driving, imaginative businessman who is looked on as somewhat of a miracle worker in Houston and Wichita, Kans.

For in both cities Calkins, with his Rapid Transit Lines, Inc., in an amazingly short period of time has pumped new life into deficit-ridden buslines, put their operation in the black, provided many new services—and sold the public on bus transportation.

SORRY CONDITION

By the fall of 1960, the bus transit operations in Houston were in a sorry state. The number of riders was declining steadily, equipment was sadly outdated, the service was poor, and a general attitude of defeatism prevailed.

Now, after less than a year and a half under Calkins' direction a completely different situation exists. Of the 379 active buses, 235 are the new air-conditioned Dreamliners, the latest in equipment. And Calkins promises that by 1963 he will have completely replaced Houston's outdated old fleet of buses with new air-conditioned ones.

Route miles have been extended from 374.3 to 394.1.

Most significant of all, ridership thus far in 1962 has increased more than 12 percent, which represents an additional 9,000 riders a day.

The Houston Chronicle commented editorially:

"It seems that Calkins has proved his case. Aggressive management and the new air-conditioned buses have pulled the mass transit business in Houston out of the doldrums. We can go on from here to enjoy good and improving mass transit facilities if enough people will ride the buses. Certainly the results of the first year are encouraging. When all the old equipment is replaced there should be further improvement in volume of riders and in revenues."

To top it off, while Calkins was revitalizing the bus operations in Houston, he also was making what he terms "a good profit."

STARTED AT BOTTOM

Calkins started in the bus business 30 years ago as a mail clerk with the Southern Kansas Stage Lines in Wichita. He subsequently was promoted to the accounting department, and in 1936 was transferred to Chicago as office manager and auditor of a newly acquired subsidiary company named the Santa Fe Trails of Illinois, Inc. Three years later, when the office was consolidated with the home office in Wichita, he became auditor of disbursements and in charge of storeroom accounting for the consolidated companies, by then known as the Santa Fe Trailways. He left the company in 1945 to become a director and secretary-treasurer of the M.K. & O. Lines, Inc., in Tulsa, Okla.

With M.K. & O., Calkins formed a subsidiary company to take over the operation of the Airport Limousine Service in Tulsa in 1955.

But it was in 1959 that he made his big move. Hearing that the Wichita transit system was in trouble, and that municipal ownership appeared imminent, he formed a new company with some outside financing, named it Rapid Transit Lines, Inc., and secured the transit franchise from the city officials.

The franchise was acquired on November 3, 1959, and became effective on June 4, 1960, at which time Calkins put a complete new fleet of 60 air-conditioned Dreamliners in operation. Wichita thus became the first American city to have an all air-conditioned transit system.

The energetic Calkins was also keeping busy on other fronts in 1959. He acquired the contract for operation of the ground transportation at Oakland International Airport, in Oakland, Calif., and has operated it since. This operation includes buses, limousines, and taxicabs.

HOUSTON SITUATION

In the fall of 1960, Calkins learned of the situation in Houston, which by then was so bad that the city was preparing to take over the bus operations.

He made a trip to Houston and in private conversations with the mayor and other officials convinced them he could do the job. He said he would purchase 100 new Dreamliners as soon as possible and replace the entire outmoded fleet within 3 years. In return he asked for a modern franchise which would give management needed latitude on routing, service, and fares. He demanded elimination of any possible stalling by officials or politicians when changes might be necessary to forestall bankruptcy.

Houston accepted—but only after due deliberation. There was much debate in the newspapers about the desirability of giving him the franchise. Houston residents discussed him pro and con. One skeptical city councilman made a secret trip to Wichita, where he rode Calkins' buses, talked with citizens, and discussed the transit operations with city officials. He returned to Houston as one of Calkins' biggest boosters.

Houston hasn't regretted its decision. In May 1961, Calkins, with good financial backing from Kansas and Oklahoma interests, bought out the old Houston Transit Co. for a figure close to $2.5 million. By June 27, 1961, he announced the first route extensions. In August the first of the new Dreamliners were brought into Houston under cover of darkness and wrapped in black plastic sheets. Getting the maximum promotional value from them, Calkins held a formal sneak preview at the Shamrock Hilton Hotel, and then on September 6, 1961, unveiled them to the public in the mammoth parade through downtown Houston.

He made other changes, too:

The company name was changed to Houston Rapid Transit Co., even though it was an all-bus operation, to encourage a public feeling of speed in public transportation.

A plastic covered schedule was installed at each transit stop so that riders could know immeditaely how long they would have to wait for the next bus.

The drivers were outfitted in brand new, attractive uniforms.

HIS OUTLOOK

"The philosophy I have about running a good transit system," Calkins explained in a Highway Highlights interview, "is to give as good a service possible as the revenue will justify, seek new business, and above all use equipment that will attract riders, and hold the old ones.

"Today, with people living in better homes that are furnished better, and with air conditioning in homes, offices, plants, and cars, I say you must provide modern air-conditioned equipment or you will lose your customers."

The transit systems in Houston and Wichita are operated in a similar manner, the only difference being in their size and scope. Calkins has 60 buses and 107 employees in Wichita; 418 buses and 980 employees in Houston. There is an average of 130,000 daily riders in Houston, 18,000 in Wichita.

Calkins actively manages both the Wichita and Houston operations, with other key personnel in charge of departments. He commutes 650 miles between the two cities by plane each week.

His Oakland operation he runs more by remote control, with key personnel overseeing things there for him.

The rate structures vary somewhat in his two bus operations. In Houston adult fares are 20 cents, with two 5-cent zones; students, 10 cents; children 8 cents, and a downtown shoppers' special 5 cents. In Wichita, adults are 25 cents (or five tokens for $1); students, two tokens for 25 cents, and children 10 cents. During off-peak hours in Wichita, a round trip can be had for 30 cents.

Calkins is a strong advocate of the free enterprise system.

"I favor it due to the fact that municipal ownership invariably leads to the payrolls being padded with political patronage that the executive director finds he must adhere to in order to keep his job, or he is unable to accomplish economies due to political pressure."

A VIEW ON SUBWAYS

What about the growing campaign for subways in some cities, such as Washington, D.C., and San Francisco?

"I feel the same about them as I do about any other fixed rail operation. The passengers simply cannot get from their origin to their destination without transferring to a surface transportation vehicle, which causes loss of time and inconvenience to the passenger. Actual experience in my Houston operation has demonstrated that if you eliminate the necessity of transferring, you increase your number of riders.

"If subways were used at all—or elevated—they should be paved for the use of rubber-tired vehicles in areas where congestion exists and laid out so that the rubber-tired vehicles could leave them after getting out of the congested areas and traverse over the regular streets, thereby discharging or picking up passengers as close to their doors as possible, without the necessity of transfer."

Calkins feels that the best moves he has made in his bus operations have been going to new air-conditioned equipment, maintaining good public and press relationships, and the posting of times buses leave each stop throughout the cities.

And as to the future?

"I feel that the future of all cities rests with the development of adequate transit systems, particularly for the peak-period travelers, thereby leaving streets and parking spaces for those who have to drive their cars.

"I do not believe that people should be forced to ride transit—but that they should be encouraged to do so after it has been made convenient for them."

[From Traffic Quarterly, January 1963]

Municipal Ownership of Transit Facilities in Smaller Cities

(By Richard N. Farmer)

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Before 1954, it was rare to find a local public transit system owned by the municipality in cities with a population of less than 500,000. This economic sector had been developed extensively by private interests; virtually all of the companies were private, profitmaking companies, typically operating as a monopoly in their city under a franchise arrangement with civic authorities. Local transit traffic was usually profitable, and occasionally quite lucrative, until 1930.

The use of private automobiles rose sharply after 1920, causing some economic difficulty for transit lines, and the great depression, coupled with the continuing development of the private automobile, began to cut deeply into private profits in the 1930's. World War II, with its critical shortages of fuel, parts, and rubber, postponed the unfavorable transit developments for almost a decade in the 1940's, giving public transit some of its most profitable years. But as soon as the general public could obtain automobiles again, transit riding again declined, falling to the 1935 level by 1955. Table I indicates the trend. By 1960, transit riding in small- and medium-sized cities was only 82 percent of the 1935 level, or only 43.5 percent of the 1945 peak. By 1960, more than 60 million passenger automobiles were in use, as compared to 27 million in 1945.

Firms facing traffic declines of this magnitude attempted to raise fares to offset patronage declines. Complicating the problem was the steady increase in operating costs brought about by the postwar inflation. As fares rose, traffic tended to decrease, although the fare increases tended almost to offset traffic decreases. For all American transit systems, 18.98 billion riders yielded a revenue of $1.380 billion in 1945; in 1960, only 7.52 billion riders yielded a revenue of $1.407 billion. But the same amount of revenue in 1960 did not go nearly as far as it did in 1945, when cost levels for goods and services purchased by transit companies cost only 40 percent as much as they did in 1960.

TABLE I.—*Total transit rides in selected years*

Year	Billions of rides [1]	Total revenue	Billions of rides: Small cities [2]
		(*Millions*)	
1935	9.78	$681.4	3.48
1940	10.50	737.0	3.91
1945	18.98	1,380.4	9.40
1950	13.85	1,452.1	6.54
1955	9.19	1,426.4	3.97
1960	7.52	1,407.2	2.85

[1] All types of urban transit for all cities.
[2] Cities of less than 500,000 population and suburban lines.

During this period, streetcars virtually disappeared from smaller cities, as transit companies tried to reduce operating expenses, and buses became the only means of mass transportation. But traffic declines quickly wiped out most efforts to cut operating costs. Between 1945 and 1960, 346 cities lost their mass transportation, for many firms were unable to cover even their direct expenses. In Illinois alone, 117 bus companies abandoned their operations from 1949 to 1960.[1]

These private companies usually abandoned operations only when further effort was clearly hopeless—that is, when their direct operating expenses, not including depreciation, could no longer be met out of revenues. The cities served then faced a choice: either there would be no transit, or the municipality would have to operate the lines as a public service. Most municipalities chose to let the service cease, but an increasing number have elected to operate the lines as a municipal corporation. Table II indicates the trend since 1955, when public ownership of such companies began to become important. Twenty-eight companies have gone public since that year, or more than were public companies in all the years up to that time.

A further reason for cities taking over their transit operations has been the dissatisfaction with the service offered by the private owner. This has been most important in very large cities, but in some cities with a population of more than 100,000 it has been an important factor. The private firm owning the lines has usually been willing, and sometimes even eager, to sell out to the city, as profits in the field fell steadily in the postwar period. Some private companies have considered that more could be gained by liquidating operations through sale than through continued operation. At least some of the capital invested could be recovered by selling the company's physical assets (such as buses) to the new city corporation.

TABLE II.—*Publicly owned transit systems in the United States showing date and number of firms changing from private to public ownership in cities of 500,000 population or less*

Years:	
Before 1919	3
1920–29	4
1930–39	3
1940–49	6
1950–54	5
1955–61	28

[1] John E. Dever, "What's Ahead for the Public Transit Company?" American City, vol. 77, No. 3, March 1962, p. 143.

Source: American Transit Association, "Publicly Owned Transit Systems in the United States," 1961, 5 pages (mimeographed).

At present, about 8 percent of mass transportation systems in the smaller cities are publicly owned (57 out of 713), but the total number of municipally operated systems seems destined to rise as more local private companies succumb to automobile competition.

Philosophy of Ownership

Historically, the question of ownership of the mass transportation monopoly has been a fiercely debated issue. In the first decade of the 20th century, the proponents of socialism typically listed this public utility as one of the first candidates for nationalization. As long as the transit companies were profitable enterprises, such proposals were violently resisted by the owners of the systems. As the transit business steadily became less profitable, this particular problem disappeared. When the cities finally began to take over local transit companies on a large scale in the late 1950's, the chief proponents of public ownership were typically the downtown merchants, who foresaw business losses and serious traffic problems in the downtown areas if public transit were discontinued. The present public ownership trend is more an empirical than an ideological move.

The goals of a publicly owned corporation of the transit type are seldom clearly defined. This issue has been debated by economists for decades, with little agreement as to what the aims of the firm should be.[2] The problem is somewhat more than academic, since if public ownership of transit becomes widespread, there is substantial danger that serious misallocation of resources will take place unless the purpose of the operation is clearly understood. On the operating level, this type of question might be one of allocating gas tax revenues to subsidize a money-losing bus system. If the general purpose of the total transportation system is to minimize congestion and maximize easy and economical movement, it might be preferable to put the money into highway improvements for private automobiles. Or the implicit gains derived from the subsidy, such as reducing automobile traffic in congested areas, might more than offset the extra expenditure. Measurement of such gains and losses is difficult, and errors are easily made. They are more likely if the operators of the transit system themselves are not completely aware of what they are doing.

Some of the more relevant goals of a publicly owned transit system can be reasonably clear-cut. Elimination of some congestion in crowded areas is one major ob-

[2] The basic proposition argued here is how public welfare can be maximized in an economy operating with some socialized enterprise. The fundamental rule is that price should equal marginal cost. For a clear discussion of this point, see M. Einaudi, M. Bye, and E. Rossi, "Nationalization in France and Italy," Cornell University Press, Ithaca, 1955, pp. 122–134. A further question is one of measuring performance of a publicly owned firm. See S. Florence and G. Walker, "Efficiency Under Nationalization and its Measurement," in "Problems of Nationalized Industry" (William A. Robson, ed.), Allen & Unwin Ltd., London, 1952, pp. 195–207. See also I. D. M. Little, "A Critique of Welfare Economics," Oxford University Press, Oxford, 1957 (2d ed.), particularly chapter XI, for a discussion of this problem. This issue is widely discussed mainly because of the implications of resource misallocation, leading potentially to staggering economic inefficiency, if the problem is not successfully solved.

jective. Smaller cities normally have some serious congestion problems, but the magnitude of crowding in such cities is not so serious as in larger metropolises. Indeed, one of the major reasons for the collapse of local systems, particularly in cities of less than 100,000 population, is the adaptability of the downtown area to the automobile. Parking lots, one-way streets, and modern traffic control devices can keep traffic flowing reasonably well during all but the most extreme rush periods, with the result that there is little incentive for persons to travel by bus in the off-peak hours. But downtown merchants, pressed by the rapid postwar development of suburban shopping centers, are usually willing to support a money-losing public transit system in the hope that it will help maintain sales and values in the downtown area.

A social reason for continuing to operate public transit is the inability of some members of the public to drive. The bulk of these people are very old or very young: the old find it difficult or impossible to drive in congested areas, while the young need to travel to school. Also, even in an affluent society, there are some persons who cannot afford a car—or, more commonly two cars—leading to some limited demand for public transit. Transit riders tend to be in the lower income brackets generally. Finally, there is a group which for medical, psychological, or police reasons finds it impractical to operate automobiles, and who must somehow find their way around the city. When the transit system becomes directly political, as when it is publicly owned, the pressure of such groups becomes quite hard to resist, even if it costs the city something in terms of transit subsidies. Private firms are certainly not exempt from such pressures, but they have always been able to plead that they must make some money or the company will collapse. The publicly owned company does not have this argument to use.

While there is no particular economic reason for profitable operation of a publicly owned firm, most cities prefer to operate at the break-even level, if possible. Local governments are composed in large part of local professional and business groups who instinctively dislike the notion of subsidies. Public firms which do break even or make money are widely publicized and commended, while subsidized operations are quietly ignored, if possible. This attitude tends to put pressure on managers of municipally owned systems to try to cover at least operating costs. The attitude of the general public supports this notion. Seeing the cash flow of fares in even a small system, the taxpayer is likely to feel that the company must be making lots of money. Losses are attributed vaguely to incompetence of management or even fraud.[3]

ECONOMIC PROBLEMS

All public transit companies are caught in a productivity squeeze which has been going on in the industry for several decades. In 1910, transit employees could be hired for 10 to 15 cents per hour, while fares were typically 5 cents. By 1962, fares have risen to 15 to 25 cents, while wages have risen to $2.50 to $3 per hour. In the 1920's and 1930's, transit companies shifted generally to one-man operation, thus cutting their operating labor force in half; obviously, there has been little possibility of reducing this bill further. Shifting from streetcars to buses sharply reduced overheads and maintenance expenses, but again the process is virtually completed.

A further problem stems from the decline in productivity per employee which follows dwindling business. It costs as much to run a bus half-full as one with standees. As traffic falls off, labor costs cannot be reduced in proportion. Labor costs are about 67 percent of all costs, or about 80 percent of cash cost (not including depreciation) for a typical transit company. The inability to get this cost down in order to maintain employee productivity has created serious cost problems for the entire transit industry.[4] Publicly owned transit systems are no exception. Small city systems may have serious problems, since traffic has fallen off faster there than in larger cities. There is also a danger that the city operation may be somewhat less flexible in employment policies than a private firm operating for profit.

Smaller firms may also face some diseconomies of scale in their maintenance operations. A company operating 10 or 15 buses may not be able to buy supplies and parts or utilize labor as efficiently as a larger firm. One advantage which cities gain from operating their own lines, and which may offset this disadvantage, is that the entire city fleet of vehicles can be maintained in a single transit garage. Previously uneconomic maintenance practices may become more efficient if such consolidation is practiced.

But the one-operator-per-bus requirement cannot easily be avoided. Larger cities with rail transit operations can consider automatic operations in the near future which may again make public transit economically viable. The automatic operation of light route-density buses seems much further in the future. Moreover, wage rates are almost certain to rise, since transit operators, public and private, are forced to pay going wage rates for labor. As productivity rises in analogous jobs, the transit operators will also have to pay more, even though they cannot actually afford it. To attract really good drivers, they may have to pay premium rates. Bus driving in city operation is a demanding job, requiring more than simply routine driving skill. Public relations, consumer psychology, and similar skills are an important part of any company's driver force, and good men are always scarce.

Demand spiraled downward in the postwar era, and transit prices have steadily been raised to gain more revenue. The price increases have always been seriously questioned and have usually become popular political footballs. Economists have debated the elasticity of demand,[5] while the general public has argued that the company should be making money at prevailing rates. In practice, demand elasticity has been about unity; that is, the decline in patronage just offsets the fare increases, so that revenues remain roughly the same. The only gain to the transit companies has been the need to provide less service for the same amount of revenue, thus reducing operating costs to some extent.

It has been argued that the reduction of fares in offpeak hours might stimulate traffic. It is unlikely, however, that such reductions will generate much additional traffic.[6] Given the cost of motor vehicle operation in the United States, it is doubtul that there is any level of fares above zero which would entice the public transit. Even if the service were free, the majority of persons would probably choose to drive. The convenience, flexibility, and time economy of automobile operation is too great to overcome easily. There is a small marginal group which can be attracted to public transit if the service is marketed properly, and this small group may mean the difference between profit and loss, but the majority of the traveling public will drive until traffic congestion and parking difficulties reach impossible levels. While these levels may be reached in larger cities, most smaller cities have enough street and parking space to avoid them indefinitely.

Cost levels for public transit do not seem to be out of line with similar costs for private operations. California buslines have operating costs (less depreciation) of from 27 to 52 cents per bus mile, with the larger cities showing higher costs.[7] This is due to higher wage rates as well as slower average speeds in more congested areas. Larger buses are also used in the larger operations. But only 4 out of 11 companies are able to show operating profits, even when depreciation is neglected. The nature of the demand problem is indicated by these figures: with an average passenger ride of about 4 miles and 15-cent fare level, only 14 passengers per mile are required to cover operating costs at 52 cents per bus mile. With 40-seat buses, the break-even average load factor has to be only 35 percent. The inability of the bus companies to achieve even this figure, on the average, shows how far demand has fallen in the postwar period.

A private automobile can be operated in the United States for about 3.5 cents per mile out-of-pocket cost, or perhaps 5 to 12 cents per mile total cost. The total cost figure depends in large part on depreciation, which is a function of the age and type of car operated. Note that at 5 cents per mile, it may be cheaper to operate an automobile than ride a bus, particularly if two or more persons are riding. At present fare levels, the local bus companies do not have a significant cost advantage for the majority of their potential patrons.

For the California cities, the larger the city the more likely it is that some profit can be made. Two of the profitable companies, Santa Monica City Lines and Sacramento City Lines, serve cities of 83,200 and 191,700 respectively, in addition to large urban populations outside the city proper.[8] Table III gives the results for the publicly owned lines in California in 1960–61.

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[3] Rather curiously, a break-even operation of a busline would closely approximate the theoretical ideal, particularly if the average variable cost curve of the firm was linear and horizontal in the relevant range of output. See Einaudi and Bye, op. cit., pp. 122–134.

[4] George W. Hilton and John F. Due, "The Electric Interurban Railways in America," Stanford University Press, Stanford, 1960, pp. 226–243.

[5] Demand elasticity measures the change in total revenue caused by a price change. Total revenue equals price times total output. As price increases, output sold usually decreases. If total revenue increases as price increases, demand is said to be inelastic; if total revenue decreases as price increases, demand is said to be elastic. Unit elasticity is the situation where price changes do not cause any change in total revenue at all.

[6] Edward Sussna, "Costs, Productivity, and Welfare Problems of the Local Transit Industry," Land Economics, vol. XXXV, No. 3, August 1959, pp. 249–250.

[7] This data is derived from "Annual Report of Financial Transactions Concerning Cities of California, Fiscal Year 1960–61." State controller's office, Sacramento, 1962, table 10.

[8] Sacramento in the central city of a metropolitan district of 502,800 population, while Santa Monica is a part of the Los Angeles metropolitan district.

TABLE III.—*Publicly owned transit systems in California, 1960–61*

Size (number of buses)	City	Population	Number of buses	Bus miles	Miles per bus	Revenue per bus mile	Operating cost per bus mile (depreciation not included)	Surplus (deficit) per bus mile
				Thousands	*Thousands*			
2–10	San Buenaventura	29,100	8	265.9	33.2	$0.303	$0.447	$(0.144)
	Oxnard	40,300	5	185.0	37.0	.256	.375	(.119)
	Ontario	46,600	2	74.4	37.2	.288	.382	(.094)
11–20	Oceanside	25,000	20	1,251.1	62.8	.325	.268	(.057)
	Torrance	101,000	17	611.1	36.0	.292	.463	(.171)
	Montebello	32,100	18	616.7	34.3	.477	.450	.027
	Culver City	32,200	18	659.7	36.6	.415	.448	(.033)
	Bakersfield	56,800	16	813.3	50.7	.370	.452	(.082)
21–110	Santa Monica	83,200	88	3,312.5	37.6	.558	.534	.024
	Sacramento	191,700	103	2,883.3	28.0	.532	.512	.020
	Gardena	35,900	27	726.9	25.9	.442	.516	(.074)

Source: State Controller, Annual Report of Financial Transactions Concerning Cities of California, Fiscal Year 1960–61, table 10, pp. 217–219.

CONCLUSIONS

The inability of public transit systems to reduce cost significantly beyond basic minimums suggests that the present transit financial problem is fundamentally one of demand. It is certain that some improvements can always be made in the cost picture, particularly in terms of reducing uneconomic services to districts unable to support a busline, but the basic restriction of one man per vehicle effectively prevents drastic cost reductions. Given present wage, fuel, and maintenance costs, the cost per bus-line is likely to remain around 25 to 50 cents, depending on the type of service, wage rates, and buses used. To create an economic operation, revenues must be generated to cover at least this operating cost. Since the present fare levels of 15 to 25 cents require load factors of from 20 to 35 percent, there is ample room for improvement along these lines.

The difficulty is in the competition, which is effective indeed. People prefer to drive, if there is any reasonable chance of avoiding complete congestion and/or parking the car at destination, and this type of competition is particularly acute in small and medium-size cities, where such driving opportunities do exist. Added to this problem is the growth of suburban shopping centers, which eliminate in part the need for travel in the congested downtown sections. In California, where automobile ownership in smaller cities is about 1 vehicle to every 2.5 people, there are few individuals and fewer families who do not have the possible alternative of driving. The problem for transit companies is how to lure persons away from their private cars.

Cities have owned and operated enterprises for centuries. The usual pattern of municipal ownership has centered around utilities which are fundamental monopolies whose services are needed by all families. Such activities as sewage disposal, gas supply, water supply, electricity, and garbage disposal have been handled by many cities for long periods of time. In virtually all cases, this type of municipal activity served as a substitute for close regulation and supervision of private monopolies, properly franchised, which might be in a position to exploit urban customers. Even more recent city corporations, such as airports and parking lots, have an element of monopoly in them. As noted earlier, this type of gas and water socialism was historically considered in the vanguard of advanced socialistic thinking,[9] and many a bitter political battle has been fought in the United States over the question of who should own such utilities.

Now, however, the cities find themselves operating transit systems by default, not by ideology. The companies are still franchised monopolies—the difference being that a superior substitute service is available in the form of the private automobile. It may seem logical to have the municipality take over the transit companies, given the historic pattern, but in fact the economic operation of the modern transit system is completely different from almost anything the cities have attempted in their history.[10]

Cities are not particularly suited to market their product effectively. This type of business activity has properly belonged in the private sphere of the economy since the earliest history of the country. Worse, the cities have inherited a job already abandoned as hopeless by private entrepreneurs, and success in the transit field calls for better performance than in most marketing problems. Some cities have, through luck or skill in managerial selection, succeeded in stemming the decline in their transit operations, but the magnitude of the problem cannot be underestimated.

Publicly owned transit companies, like other firms in this business, must consider such problems as traffic peaking, comparative prices of alternatives, the impact of shifts in urban land use, and similar factors, if their service is to be marketed effectively. This type of business skill is not commonly found in municipal government, since few city services require such abilities.[11]

The implications of marketing failure here for city progress in planning, traffic control, congestion, and similar problems, are enormous. Cities will not be helped by large numbers of buses operating one-tenth full. There is a real danger that such an operation will deteriorate into a meaningless function providing jobs for a group of skilled operations personnel. If public transit is to contribute anything at all to city transport performance, the buses will have to carry some people—in sufficient numbers to make a real contribution to the traffic problems. Unlike private companies, publicly owned firms can operate indefinitely at operating cost losses. The ultimate economic restraint of bankruptcy does not apply here. In this statement lies both the challenge and the responsibility of the new form of public ownership.

[9] See, for example, Carl D. Thompson, "Municipal Ownership," B. W. Huebsch, New York, 1917, for a typical Socialist statement of the period. See also R. Kelf-Cohen, "Nationalization in Britain," St. Martin's Press, New York, 1959, pp. 1–12, for a brief history of the thinking of the gas and water Socialists.

[10] The most analogous problem the municipalities have faced in recent years is their attempt to attract new industries. Here the marketing and sales promotion function is extremely important.

[11] The best economic discussion of the problems of urban passenger transportation is contained in Wilfred Owen, "The Metropolitan Transportation Problem," the Brookings Institution, Washington, D.C., 1956.

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FINANCING MASS RAPID TRANSIT: THE CALIFORNIA EXPERIENCE

(By Alan K. Browne)

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What has been the greatest problem facing those seeking solutions to the mass rapid transit problems of their respective areas? Has it been engineering concepts? Has it been conflict over the taking of private property for public purposes? Has it been the desire of the individual to meet his personal transportation needs by the use of the automobile? Has it been the question of assessing those who use public transportation rather than those who are presumed to have collateral benefits? Has it been a conflict between private and public enterprise?

The chances are that all of those questions potentially have an influence on the moulding of public opinions. However, at the base of each and every problem is the fundamental question of cost. In other words, what will the solution cost, who will benefit, how will the cost be assessed and can we afford the solution?

This matter of cost seems to be at the base of every mass rapid transit plan. Engineers can develop almost any conceivable plan to provide mass rapid transit. Industrial manufacturers can manufacture the equipment and implement the planning. By statutory provision, almost any rapid transit plan calling for public participation can be developed through the intricacies of the legislative process. In the last analysis, however, no mass rapid transit plan can come into being without the fundamental question of financing being resolved.

Each State and each political subdivision therein, within its respective constitutional statutory and legislative limitations, faced with a mass rapid transit plan has had to determine how to meet its needs and, more succinctly, how to finance its needs. Within our organization of States, the solution has been essentially a local State problem. However, in some instances it has been a bistate concern, and in the District of Columbia it has been of congressional concern. In recent years the Federal Government has become involved, as legislation has been introduced in Congress to provide some measure of Federal participation.

The year 1962 was a significant year in the mass rapid transit field. Various solutions to local and regional problems have been projected. Yet, despite the prevalent need, Federal urban mass transportation legislation was left at the starting post. Again, the question is raised: with such a nationwide need for mass rapid transit, why has the planning bogged down? And again, it is a question of financing, particularly financing which required legislative action and voter approval.

CALIFORNIA'S NEEDS

I have chosen California as the laboratory to test our financial solution to the mass

rapid transit problem. California is a State of considerable area and is soon to be the leading State in population. California contains 10 metropolitan areas, each of sufficient population to merit a mass rapid transit program. Two of these areas, San Francisco-Oakland and Los Angeles-Long Beach, are of sufficient magnitude to require individual attention.

Each State has its own constitutional and statutory provisions for the creation of public bodies, and their financing. No one State can resolve the problems of other areas. However, from the experiences gained by one State through the governmental process, others can benefit.

In other words, there is very little that is new. Rather, it is a question of recognizing the applicability of any governmental program.

What is so intriguing about California? We have pointed out the large area, the number of metropolitan areas, and the population explosion. In addition, we should not overlook the decline of private transportation, the use of the gas tax to finance roads, highways and freeways, the pedestrian right-of-way, the per capita ownership of automobiles, and the lack of basic main transportation systems as a heritage of the past. All of these points have contributed to the urge for solutions to California's transportation ills.

California, a growing but wealthy State, has had more than its share of public needs to be financed from the property tax, special taxes, Federal subventions and from bond issues. No matter what level of government is involved, the pressure of public finance has been substantial. Only the basic credit of the State, growing wealth, sound laws, and an inherited fiscal responsibility have enabled California to meet its public needs without undue financial stress.

Experience gained from other States and a sophisticated approach to its public improvement needs has prevented California from embarking on expensive and impractical plans to finance public improvements.

CALIFORNIA'S EXPERIENCES

In recent years, California has attempted to meet its mass transit needs by two basic but orthodox methods, either through the fare box supplemented by general property taxation, or through the fare box without subsidizing, relying entirely on revenues. Neither method has been a complete success, as there has been a reluctance of voters to provide property tax support on the one hand, and, on the other hand, investors have been less than enthusiastic about transit bonds secured solely by the fare box.

The hard facts of wage-cost spiraling has chilled investor interest, reduced patronage, and aroused voter opposition to tax subsidies. The necessity of maintaining equipment in top operational condition, providing all necessary safety devices plus adequate insurance protection against accidents and excessive jury awards, has plagued municipal operations. Another factor has been the jurisdictional disputes between unions as an aftermath to private operation.

Despite all of these negative facts, what can be gained from the California experience? Probably the fundamental lesson to be learned is that there is no easy financial solution to the mass rapid transit needs of our growing communities. There must be an awareness of the cost of an adequate system. There must be an understanding of how the costs must be shared by the user and the nonuser and, above all, there must be recognition of what it would cost not to have an adequate mass rapid transit system. This last premise is the real challenge, as there is no exact science which will provide a formula to answer this question. It has economic connotations, as well as health and safety factors. It is a measure of whether areas will grow in terms of property values, remain static, or decline. It concerns itself with the preservation of property for private purposes, or the reduction of private property through condemnation for additional highways, freeways, and parking lots.

Much has been recorded concerning the two basic mass rapid transit systems designed to meet the needs of California's two major metropolitan areas—San Francisco-Oakland and Los Angeles-Long Beach. Each was conceived, statutorily speaking, at about the same time—1951, to be exact. Each, at the inception, was to be financed by means of a taxing district to supplement fare-box revenue. Ultimately, the San Francisco Bay Area Rapid Transit District came into being as a tax-supported district comprising five counties (reduced from the original nine), and ultimately reduced to three. The Los Angeles Metropolitan Transit Authority went in the opposite direction and became an authority with no taxing power and no specific area limitation.

In the case of the San Francisco Bay Area Rapid Transit District, it was recognized that there was no existing operating mass rapid transit facility to absorb, so that financing a completely new system would be a major problem.

FINANCING EARLY PLANNING

The city and county of San Francisco, which had experienced an almost complete breakdown of public transportation during World War II, supported the recommendation of an Army-Navy report completed in the late 1940's by endorsing State legislation creating a transit district. This was followed by the appointment of a citizens' committee and an appropriation of $5,000. This was not much, but it did result in the eventual creation of a commission by act of the State legislature and a State appropriation of $50,000. Most of this money was used for engineering reports, which laid the foundation for an additional State appropriation of $400,000, matched by $350,000 provided by the nine counties of the bay area.

From this, it can be seen that the initial funds were provided by the legislative action of the State of California and the nine counties of the San Francisco Bay area. An additional indirect financial contribution was provided through senate and assembly interim committees of the State of California Legislature, which did much to center legislative attention on the rapid transit needs of the San Francisco Bay area. Funds advanced by the State were to be repaid from the first sale of bonds.

The Los Angeles Metropolitan Transit Authority obtained its initial financing during the period 1951–56 from appropriations by the Board of Supervisors of Los Angeles County, which amounted to approximately $300,000. This was supplemented by an appropriation of $70,000 by the Legislature of the State of California, which amount was to be subsequently repaid.

The authority was able to utilize the funds to provide important studies and to obtain engineering reports that paved the way for the repeal in the State legislature of the 1951 act by passage of a new act in 1957.

A direct result of the new act was the authorization by the authority to issue $40 million of revenue bonds, the proceeds of which were to acquire the privately owned Los Angeles Transit Lines and Metropolitan Coach Lines for an aggregate price of $34,176,000. The balance represented cash working funds, planning, costs of financing, new equipment and capital improvements. Following acquisition and consolidation, the authority has operated out of the fare box, with the purchase of new equipment financed by equipment trust certificates payable from revenues.

It was always the objective of the Los Angeles Metropolitan Transit Authority to treat its acquisition of local transit facilities as an interim step in providing truly regional mass rapid transit. The San Francisco Bay Area Rapid Transit District conceived a mass rapid transit system as distinguished from local transit facilities.

By legislative action, a San Francisco Bay Area Rapid Transit District was created, which was empowered to finalize rapid transit planning for the San Francisco Bay area. A limited tax was provided, levied against the taxable property of the district to enable it to operate and to provide funds for final planning. The final plans, after approval by the district, required unanimous approval of the respective boards of directors of the component counties prior to submission of a general obligation bond issue.

While the two metropolitan areas took different steps, organizationally speaking, in meeting their mass rapid transit needs, both public bodies were created by act of the State legislature. In effect, both were instrumentalities of the State of California. The members of the Los Angeles Metropolitan Transit Authority were to be appointed by the Governor, while board members of the San Francisco Bay Area Rapid Transit District were to be appointed by the boards of supervisors and mayors of the component counties and cities. While both district and authority were empowered to issue revenue bonds the authority had no alternative. The district's principal financing source was general obligation bonds, while both authority and district could finance equipment out of revenue.

In an original report rendered to the San Francisco Bay Area Rapid Transit Commission, predecessor to the district, the Stanford Research Institute suggested several approaches in meeting the financial obligations of the proposed rapid transit system. These included, aside from the fare structure and property tax, subventions from the California Toll Bridge Authority on their San Francisco-Oakland Bay Bridge crossing, retail sales tax within the district, and gas tax allocation. For various reasons, none of these seemed feasible, although unsuccessful efforts were made to move legislation providing for a constitutional amendment to divert gas tax revenue for rapid transit.

As the engineering plan progressed, the district was faced with the realization that its debt limitation (15 percent) was such that it could not indebt itself sufficiently to provide all of the capital funds necessary and that a two-third approving majority vote was an almost physical impossibility in a multicounty district. By amendatory legislation, the district was able to reduce the vote requirement to 60 percent and, by other legislation, empowered the California Toll Bridge Authority to finance and construct a subaqueous rapid transit tube under San Francisco Bay. Subsequently, the district also eliminated the provision that construction costs would be capitalized during the period of construction, which had the effect of increasing the bonding capacity of the district. There was no need to change the district's power to vote bonds in excess of its bonding capacity, as debt could not be incurred until the assessed valuation of the district expanded to permit such additional borrowing capacity.

APPROVAL OF BAY AREA BOND ISSUE

On November 6, 1962, a ballot issue known as proposition A and calling for a general obligation bond issue totaling $792 million was placed before the electorate in the three component counties of San Francisco, Alameda, and Contra Costa. A 60-percent approving vote, required of the total vote cast within the three counties, was met. Following construction, mass rapid transit for the San Francisco Bay area will become a reality after 15 years of planning.

STATE AND FEDERAL AID

The year 1962 was significant for both the San Francisco Bay Area Rapid Transit Dis-

trict and the Los Angeles Metropolitan Transit Authority in their respective efforts to seek Federal aid to assist in the development and financing of their respective rapid transit plans.

Consideration of State of California aid was rejected as not being feasible. The State's financing needs were too demanding of its ability to market its general obligation bonds for school aid, veterans' welfare, State buildings, and harbor development and eventual water development. Even a State guarantee of local transit bonds posed credit problems.

Consequently, the several congressional bills to authorize the Housing and Home Finance Agency to provide additional assistance for the development of mass transportation systems were enthusiastically supported. In the case of the district, the legislation offered an opportunity—either through loans and grants—for the speeding up of the construction program which of necessity had to be geared to the bonding capacity of the district. This was to have reduced debt service costs and to have been a positive factor in securing voter approval.

The Los Angeles Metropolitan Transit Authority had meanwhile developed its first truly mass rapid transit plan, called the backbone route employing conventional transit using a subway system. The cost was estimated to be $288 million, to be financed out of the fare box and through the sale of revenue bonds. To provide Federal aid, Senator ENGLE introduced S. 2390, known as the Transit Revenue Bond Guarantee Act.

Throughout the 1962 congressional sessions, S. 2390 received wide attention but was never consolidated with the administration bill introduced by Senator WILLIAMS as S. 3126, known as the Urban Mass Transportation Act of 1962. Both bills died, as did others on the subject of urban mass transportation. However, revival in their original form or in modified form is expected at the next session of Congress.

The Transit Revenue Bond Guarantee Act took the unique approach to Federal aid—not by conventional loans and grants, which would have meant appropriations and their related effect on Federal financing, but rather by the use of the credit of the Government to guarantee local transit revenue bonds. This would result in lower borrowing costs for the transit authority and no immediate call on the Treasury for funds. As a matter of fact, without the lower interest rate the financing of the backbone route would have been impossible, as the higher rate of interest for local transit revenue bonds would have increased debt service to the point that the bonds could not be marketed because there would be insufficient or inadequate coverage of debt service.

Opposition to the Transit Revenue Bond Guarantee Act was varied, although it was admitted it would not require the outlay of funds embodied in the Urban Mass Transportation Act of 1962. There were many who felt that the Guarantee Act was limited to Los Angeles, and that other metropolitan areas could not benefit—despite the fact that it provided the best vehicle for existing public bodies able to take immediate steps to develop their mass rapid transit planning. Probably most of the opposition came from Treasury, which was not in favor of the Federal Government's guaranteeing a tax-exempt bond. It was felt that such financing would interfere with debt management and might conceivably compete with the Treasury's long-term-bond financing plans. An alternative was suggested, which would have placed a Federal guarantee behind local transit bonds if the interest was taxable. This, of course, would raise the question of tax immunity enjoyed by States and local governments on their debt obligations. Rather than follow the pattern of local housing authority financing, which is tax exempt, the guarantee was patterned after the District of Columbia Stadium bonds and the insured merchant marine bonds. Of course, the Federal guarantee would improve the credit and insure bonds being marketable, but a taxable rate of interest would be greater than a tax-exempt rate, despite the Federal guarantee, and would therefore reduce the borrowing capacity of the authority and increase Treasury exposure.

Inasmuch as the legislation was not approved, revival in 1963 is assured. Meanwhile the Los Angeles Metropolitan Transit Authority cannot proceed with its "backbone route," and its metropolitan mass rapid transit needs are not being met. As other metropolitan areas review proposals for Federal aid, there is every reason to expect that the guarantee approach will gain support. It is interesting to note that the Los Angeles Metropolitan Transit Authority has been presented with a proposal for a monorail system to cost $40 million, connecting downtown Los Angeles with the international airport. The authority must consider the impact of such a proposal on its master planning for the Los Angeles metropolitan area and the conflict between two different types of mass rapid transit as well as the diversion of revenues away from its "backbone route."

FUTURE DEVELOPMENTS

Thus, at this writing, the San Francisco Bay Area Rapid Transit District is poised on the threshold of a new era in transit, as one of the most ambitious and thrilling mass rapid transit plans yet to be conceived takes shape. It will be the signal for all other metropolitan areas to push forward on their respective plans.

The Los Angeles Metropolitan Transit Authority must wait for the next session of Congress, if it is to seek Federal aid in its financing plans. The monorail proposal must be considered. State aid appears doubtful, so that the only alternative to the present planning is to seek legislation to create a district with taxing power and authority to issue general obligation bonds.

Elsewhere in the Golden State, mass rapid transit is still a dream. Urban mass transportation through public corporations has achieved some progress. Probably the most successful to date has been the Alameda-Contra Costa Transit District, which acquired local, privately owned transit lines through the sale of general obligation bonds. These were voted bonds, requiring a 60-percent approving majority vote. The system, in addition to bus services in Alameda County and parts of Contra Costa County, provides commuter service to and from San Francisco.

San Francisco recently celebrated 50 years of its municipal railway system, which provides urban transportation by streetcars, buses, trackless trolleys and cable cars. General obligation bond financing has provided most of the funds for capital improvements. However, with a 15-cent fare, tax subsidy is necessary.

The cities of Fresno, Bakersfield, Culver City, Gardena, Montebello, Santa Monica, Torrance, Sacramento, Ontario, Oceanside, Oxnard, and San Buenaventura have some form of municipal transportation, usually in the nature of buses. Some have issued general obligation bonds, but the total investment is not significant. None of the systems constitutes mass rapid transit.

CONCLUSIONS

To review the California experience on the financing of publicly owned urban mass rapid transit systems, certain conclusions can be made:

1. Local public governing bodies must be aware of the needs for mass rapid transit planning.

2. Appropriation of public funds to conduct necessary preliminary studies is a necessity.

3. Alert citizen groups must spearhead the studying and planning preliminary to activation of any mass rapid transit program.

4. State legislature support is important, as to statutory provisions creating mass rapid transit entities, as well as to appropriations of funds to assist in transit studies.

5. Legal aid in the drafting of enabling legislation is a prerequisite.

6. Professional engineering, financial, and economic studies must be the basis for any mass rapid transit plan.

7. Flexibility in financing plans to meet the varying needs of an operating system is a necessity, always keeping in mind investor requirements.

8. Ease of debt incurrence, and limitations thereon, must be tailored to meet local customs and practices but should not be complicated, so that ready acceptance, with a minimum of obstacles, is insured.

9. Financial feasibility should be proven, and the economic impact of not having a mass transit system should be demonstrated.

10. Alternative methods of financial support, in addition to the fare box, should be explored to lessen the financial impact, spread the burden, and produce the most economic result.

11. Private versus public ownership conflicts should be avoided unless there is no alternative to the realization of the proposed mass rapid transit plan required to serve the broadest public interest.

12. Governmental aid should be held to a minimum unless absolutely necessary to the successful conclusion of the mass rapid transit plan. National defense, if applicable and compatible with the plan, would be a strong basis for Federal aid.

13. Joint exercise of powers should be developed so that highways, freeways, bridges and tunnels owned and operated by other agencies, both public and private, can be used wholly or in part to reduce costs and borrowing needs.

As time is of the essence in today's complex world of transportation, it is strongly urged that if we are to move people in our metropolitan areas, relieve highway congestion and improve the flow of traffic, now is the time to start mass rapid transit planning. It is hoped that the California experience will suggest ways to implement planning in other areas and simplify methods of financing.

Mr. LAUSCHE. Mr. President, I yield the floor——

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. SALTONSTALL. The railroads in New England are in a very difficult position. I think the approach of the Senator from Ohio is a very practical one. I hope he will permit me to be a cosponsor of the bill.

Mr. LAUSCHE. Mr. President, I ask unanimous consent that the name of the Senator from Massachusetts [Mr. SALTONSTALL] may be permitted to be placed on my bill. I am delighted to have him join.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DISTRICT OF COLUMBIA LACKS A PROGRAM FOR MEDICAL ASSISTANCE FOR THE AGED

Mr. PROUTY. Mr. President, on February 11, I introduced a bill, S. 763, to give the District of Columbia the authority to participate in the medical assistance for the aged program. I said at that time that I thought it scandalous

that the District did not yet have a program, thus depriving many of our older citizens of help at the time of their greatest need. I have not changed my view on that matter.

My office has discussed the problem with city officials. The Public Health Agency stated its position that legislation is not necessary. The Department of Public Welfare was explicit in its view that no legislation is necessary. They seem almost proud that they have the necessary laws on the books.

On the other hand, a discussion with the office of the Corporation Counsel indicates that perhaps some officials are not so certain that authority does exist.

What a shame, Mr. President. The lack of enabling legislation would provide some justification for inaction by the Commissioners for the benefit of the health of our older people. But, assuming they have such authority, there can be no valid excuse for permitting over 2 years to lapse without a program.

I suspect that there is an excuse, Mr. President, namely, the determination by this administration that it will have its pet project—medicare under social security—or it will have no program at all. There has been a constant campaign by the administration to lobby medicare into existence. I have no doubt at all that its do-nothing attitude with respect to aged medical assistance is just another move in its effort to go to the people to say "Kerr-Mills has done nothing for the people of the District of Columbia."

I cannot stand by, Mr. President, and let that happen. It is wrong to play with the necessities of old age just to foster the chances of the President's pet program when legislation is already on the books—waiting for the District to take advantage of its provisions.

Page 1 of the Washington Post on last Saturday carried under large headlines a story of the President's desire that the Capital City should lead in the war on mental illness. The President said in a letter to Commissioner Tobriner:

> There would appear to be no better place for these forward-looking programs to be started than in the Nation's Capital.

The Commissioner replied that the President's desires in the matter would receive "prompt and vigorous attention."

Mr. President, I have the same concern for the mentally ill as the President of the United States. I only wish that, during the past 2 years, he had expressed the same concern for the neglect of the Commissioners in establishing a program to protect the health of thousands of men and women over 65.

Sour grapes, Mr. President. If the administration cannot have precisely the program it wants, it will sit in its medicare corner and pout and do nothing to effect use of existing law.

It is all right, I suppose, for the administration to lobby for new programs. It probably has a right to do so. But, the administration also has duties and responsibilities in the matter. It has the obligation to administer the laws presently in the code.

Mr. President, last year the Congress enacted the District of Columbia Public Assistance Act. Public Law 87-807 gave the Commissioners substantive legislation for such public assistance programs as: Aid to the blind; old-age assistance; aid to dependent children; aid to the disabled.

That law, however, does not include medical assistance for the aged.

On August 7, 1961, in the hearings on that proposed public assistance bill, Mr. George Shea, then Director of the District of Columbia Department of Welfare, in endorsing discretionary authority in the Commissioners to set up whatever public assistance programs they wished, said the following:

> This is an important provision in view of the possibility of change in our social security structure. This law would enable the District to administratively make adjustments to any changes in Federal legislation affecting the public assistance categories.

That testimony was made almost a year after the enactment of the Kerr-Mills Act. No word was said about progress of the program in the District. But there was included a provision important to the administration which anticipates possible changes in the social security law.

What change would that be, Mr. President? I suspect it means hope for the passage of the social security approach to medical care.

There, Mr. President, lies the answer to this whole shameful story.

The city of Washington should be a showcase of progress to the rest of this country. Care of the health of our older people, when they so sorely need it, should be no exception.

My own State of Vermont entered the program early.

The eminent Governor of New York and a Republican legislature also acted quickly to provide enabling legislation.

In the backyard of Hyannis Port, a Republican Governor together with a Democratic legislature quickly acted to assist the older people of the State of Massachusetts.

These, and many other States very quickly sought to assist and care for the health needs of parents, aunts and uncles and friends—the older generation.

Must the city of Washington be the last to effectuate such a program?

Must the citizens of Washington want and wait and despair until that one magic day in the nebulous future when the administration has its way on the medicare issue?

That question will undoubtedly rise again. But, until it does, let us, forthwith, get at some positive action by the administration and the District Commissioners.

The health needs of our older people are entitled to no less.

VERMONT'S COVERED BRIDGES

Mr. PROUTY. Mr. President, one of the great attractions which Vermont holds for tourists is our covered bridges. Orange County has four of these, and the one at Thetford Center is the only remaining Haupt-truss bridge in the northeastern United States.

Matthew I. Wiencke, president of the Thetford Center Community Association, recently brought to my attention an interesting article about the history of the Thetford Center Bridge and the need for repairing it. The article brings to focus the fact that the bridge was designed by Gen. Herman Haupt who served under the leadership of Abraham Lincoln. It also points out that the Green Mountain State has nearly half of the covered bridges in the Northeastern United States.

With the thought that it may be of interest to all Members of the Senate and the general public, I ask unanimous consent to have printed in the RECORD at this point an article by Martha H. Wiencke which appeared in the White River Valley Herald, February 7, 1963.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Randolph (Vt.) White River Valley Herald, Feb. 7, 1963]

THETFORD CENTER'S COVERED BRIDGE IN NEED OF REPAIR

(By Martha H. Wiencke)

What do visitors to Vermont first ask to see? According to the Vermont tourist booth in Rutland, they ask, "Where are the covered bridges?" Vermont does, in fact, have nearly half of the covered bridges in the Northeastern United States, 118 out of a total of 241. But, in the whole area from Hartland to Newbury, the interested visitor can see only two, both in Thetford. One, the fine multiple kingpost bridge in Union Village, was restored some years ago. The other, on Mill Road in Thetford Center, is in need of friends who will see to its repair in the immediate future.

The Thetford Center Bridge is well worth repairing. It is a fascinating example of the old wood beam and trunnel construction, and more than that, it is the only remaining bridge in the whole Northeastern United States built on the design patented by Gen. Herman Haupt. Richard Allen, leading authority on covered bridges, says in his book "Covered Bridges of the Northeast" (1957) that a copy of General Haupt's book on bridge construction must have reached Thetford Center. Perhaps the Thetford town fathers were impressed by General Haupt's reputation as engineer of the Hoosac tunnel and as general in charge of military railroads during the Civil War. If so, they were in good company.

In 1863, President Lincoln saw one of Haupt's emergency bridges, built in record time, and remarked that he had "seen the most remarkable structure that human eyes ever rested upon. That man Haupt built a bridge across Potomac Creek, about 400 feet long and nearly 100 feet high, over which loaded trains are running every hour, and, upon my word, gentlemen, there is nothing in it but beanpoles and cornstalks." The Potomac Creek bridge was built in 9 days by soldiers who were not mechanics, but it carried 10 to 20 trains a day and withstood heavy rains as well.

MODEST BUT STRONG

The Thetford Center Bridge is built on a far more modest scale and for permanent use. But its Haupt truss plan, to the credit of its builders, was considerably more complicated to construct than was the very popular town lattice style, according to Mr. Allen. Here in Thetford we can justly feel that we have a real historic monument, both to a distinguished engineer and to the sound craftmanship of the early builders and town

fathers. The bridge has borne years of traffic without major repair, and, when repaired, can be expected to bear traffic for many more generations.

Builders of new steel and concrete bridges have discovered the advantages of the old bridges too late. In Woodstock, Mr. Allen says (Rare Old Covered Bridges of Windsor County, 1962) that the "old covered span on U.S. 4 withstood storms, high water, and heavy traffic for 3 years short of a century—and it took dynamite to demolish it. By way of contrast, its concrete successor erected in 1938 had to have new railings, flooring, and pier repairs to the tune of $31,000 after only 17 years' service. Woodstock's two remaining covered bridges were carefully renovated, and are now considered to be practical, economical, long-term investments."

KEEN INTEREST

Interest in covered bridges is very high these days all over the country. Mr. Allen is now preparing, with the help of a Guggenheim grant, a book on the covered bridges of the Middle West, where new covered bridges are even now being built to attract visitors. Winterset, Iowa, has put out a pamphlet calling attention to the seven old bridges in its county. Pictures of covered bridges appear again and again in the travel pages of the big city papers. Towns all over New England are repairing their few remaining covered bridges and directing tourists to them. And many inquiries have come here from out-of-Staters, urging that the Thetford Center Bridge be kept.

Mrs. O. H. Lincoln, of Greenfield, Mass., writes to friends in Thetford, "These old timbered spans are certainly a part of our early America."

Mrs. Gertrude N. Birchard, of Springfield, Mass., adds "Too often after a bridge has been taken down the surrounding area regrets it. * * * Let's do all we can to save this fine example of the Haupt truss design."

Mrs. Philip N. Cristal, formerly of Milwaukee, Wis., and a long-time summer visitor to this area, heard about the bridge on a trip to Washington, D.C. She urges, "Please, please, don't let them tear down the covered bridge—I know it well. * * * From the standpoint of people loving New England and coming from all over the country to enjoy it—save it. The preservation movement has swept all over the country. New England should be in the vanguard."

Congressman ROBERT T. STAFFORD writes, "I am in general sympathy with the efforts of the people of Thetford to preserve this bridge."

Edward J. Conklin, Windsor, chairman of the Board of Historic Sites, writes, "It would seem to me that as a tourist attraction it would be well worth the effort of the town and highway department to do all they can to restore this bridge for traffic."

As the recreation industry grows in Vermont, and Thetford grows with it, we can be sure that many more visitors will stop to share our pride in Thetford's two historic bridges. We have a responsibility to our past to preserve our unique bridge for the generations to come.

If you are interested, write to Ralph Fifield, Thetford Center. Letters are needed at once.

THE PLIGHT OF MIGRANT WORKERS—A NATIONAL DISGRACE

Mr. YOUNG of Ohio. Mr. President, one scandal that we can no longer afford to push aside is the compelling plight of migrant farm laborers in the United States. Their life is poverty in the midst of plenty. They live in a twilight world of hunger, poverty, and lack of opportunity.

After a work year of approximately 150 days, a typical migrant laborer can boast of earning only $1,250 for the support of his wife and children. Compared to the average earning of the American factory worker—who on the average earns close to $90 a week—the migrant worker's pitiful $25 a week is in shabby contrast. Normal needs for medicines, clothing and food consume all of this meager paycheck, and more.

The real crime is what such an existence does to the children of these hapless people. There is no one to care for them. Their parents are toiling in the field. Being constantly on the move, the children cannot stay long enough in one place to receive an adequate education. If they survive their early childhood, they are virtually doomed to repeating the dismal life of their parents.

This situation of the typical migrant family is repeated 500,000 times throughout the Nation. Including women and children, nearly 2 million human beings in America are caught in a dismal web of constant poverty and degradation in the midst of plenty.

In the past, because of the local nature of the migrant labor problem, only local remedies were sought. In response to the local migrant labor problem, State and local governments and other organizations have in many instances acted to aid these people. However, because of the great number of migrant workers and because of their constant movement they are also a national problem of concern to all Americans.

Action must be taken by Congress immediately to bring these people and their children into the 20th century. If we believe in economic and social justice for all Americans, it must include these 2 million people.

Unlike most other laboring groups in our society, agricultural migrants are almost totally lacking in either political or economic power. In contrast to the economic and political weakness of the migrants, stands the economic and political power of the agricultural growers and processors who purchase their labor. The fact that agricultural workers are specifically excluded from coverage under Federal wage and hour legislation, and from much other social legislation, is strongly indicative of their lack of political power. This fact also suggests the need for further legislation by this Congress to attempt to help equalize these two groups.

The President's Committee on Migratory Labor has pointed the way: we must—

accomplish in agriculture what we, as a nation, have already accomplished in most other sectors of our economy—the restoration of respect and dignity, based on good wages, good working conditions, steady employment, educational opportunities, and the extension of public health and welfare services to the men, women and children who labor for hire in American agriculture.

During the last session of the Congress the Senate approved five bills introduced by the distinguished junior Senator from New Jersey [Mr. WILLIAMS], which would have helped to alleviate this national problem. Unfortunately, only one of them was approved by the other body—a bill which authorized grants for improving health services for migratory workers. This was at least a beginning.

In this Congress as in the last, leadership in this task has been undertaken by our colleague from New Jersey, Senator WILLIAMS. He has introduced nine bills designed to attack such ills as the general lack of education, the absence of necessary child care, the lack of adequate transportation, housing and sanitation, and the prevalence of a distressingly low wage.

If Congress accomplishes the task set out by the Senator from New Jersey, it will remove a system of virtual peonage in our society. In doing so, America will once again prove that it is a nation where no one is forgotten, where the young have faith and their elders have hope.

MILITARY POSTURE OF THE UNITED STATES

Mrs. SMITH. Mr. President, when the Secretary of Defense testified before the Senate Armed Services Committee today, I asked him certain questions with respect to his advanced and unclassified statement on the military posture of the United States.

I ask unanimous consent that my questions be placed in the body of the RECORD at this point so that the American people may know the questions that I posed to the Secretary of Defense.

There being no objection, the questions were ordered to be printed in the RECORD, as follows:

QUESTIONS OF SENATOR MARGARET CHASE SMITH TO DEFENSE SECRETARY MCNAMARA, 1963 DEFENSE POSTURE HEARINGS, COMMITTEE ON ARMED SERVICES, U.S. SENATE

I. INTRODUCTION

B. 1. Latin America

1. On pages 6 and 7 you refer to the Cuban crisis and the diminishing of the military threat as a result of the handling of the crisis. Do you think that the improvements that you have made in the past 2 years in our general purpose forces were the decisive factor in our facing up to Khrushchev's challenge in Cuba?

2. If we had had only the forces which were in the inventory as of January 1961, would we have been able to threaten an invasion of Cuba in October 1962?

3. Do you believe that improvements under your tenure as Secretary of Defense materially affected the outcome of the Cuban crisis? If so, how?

4. Do you believe that the lesson of Cuba was that the tide turned because of superiority in conventional weapons? That we won the eyeball-to-eyeball showdown because we had superior conventional forces?

5. If there were such an eyeball-to-eyeball showdown in some areas not in our own backyard like Cuba but rather nearer Russian soil and to Khrushchev's advantage—like Berlin, Iran, Korea, or Thailand—who would have the conventional force advantage and who would be more likely to win the showdown?

6. How do you assess the role of the Strategic Air Command during the crisis?

7. Was it placed in an advanced state of readiness to preclude being caught by surprise or to impress upon the Russians the seriousness of our determination?

8. Were we close to thermonuclear war during the week of October 22, 1962—did we

contemplate the use of nuclear weapons in Cuba—did we think Khrushchev would initiate such a war when we were in such a state of preparedness?

9. "Escalation" has been a scareword while "controlled response" has had very favorable preference—almost as though it was a touchstone of military magic. I gather from what you have said in the past that we retained the power of controlled response.

Did we retain the power of escalation? In your concept of controlled response, is it desirable that we have the power of escalation?

10. There are those who contend that the lesson of Cuba was that we won that showdown because of our superior conventional forces. Yet, there are those who contend that the lesson of Cuba was that we won that showdown because it turned on being a nuclear confrontation and we had the nuclear superiority and sensing that Khrushchev backed down.

Was there a nuclear confrontation? Did the crisis turn on our nuclear superiority or on our conventional superiority?

11. Had Khrushchev had superior conventional forces in Cuba, what would have been the outcome of the eyeball-to-eyeball showdown?

B. 7. NATO

1. On pages 14–19, you discuss NATO. Up until now our defense of Western Europe has been based on our overwhelming nuclear superiority, both in terms of tactical nuclear weapons in Europe and in terms of our strategic retaliatory power.

Despite great disparities in conventional forces between the Soviet bloc and NATO, the Communists have been deterred from military aggression in Europe.

Now you propose to build the conventional strength of Europe to the point where it could cope with a Communist assault without resorting to nuclear weapons. Do you think that this policy increases the risks to the Russians?

2. If the worst they might suffer would be a repulse back to their initial lines (under a strictly containment policy), would they not find this an attractive risk?

3. Is it realistic to assume that the Europeans will raise the necessary conventional forces to fill the gap between their present strength and that of the Soviet bloc?

4. Do not Europeans see the new policy of raising the threshold at which nuclear weapons would be introduced as a device to protect the United States from possible damage while the European countries take the brunt of a conventional assault?

5. If not, to what do you attribute their lethargy?

6. Your new policy for Europe seems to assume that the Soviets would not introduce the use of tactical nuclear weapons. But are not their units equipped with these weapons?

7. What is the basis for your assumption that they would not use them if it were to their advantage to do so?

8. Do you see the present French position on an independent nuclear deterrent as related to French rejection of the U.S.-sponsored strategy for the defense of Europe?

9. Our old policy for NATO was known as the sword and shield policy, with conventional forces in Europe serving as the shield —and with nuclear forces, principally United States, serving as the sword.

The Nassau communique described the current policy as the old sword and shield in reverse with the new emphasis on Polaris.

In your estimation, what has changed in Europe—what has changed in the way of Allied forces—what has changed in the Communist threat—to justify applying the old sword and shield policy in reverse? In other words, why are 30 NATO divisions, which formerly were regarded as sufficient only as the shield against Communist nonnuclear assault, now considered an adequate sword?

10. You discuss command and control on pages 39 and 40 under "II. Strategic Retaliatory Forces" and this next question perhaps is more properly put at that point—but because it relates to the question I have just asked, I want to propose it to you now.

It seems to me that the multilateral nuclear force proposed at the Nassau meeting poses difficult command and control problems.

If these problems do not have a simple solution, does not the multilateral approach encumber the use of nuclear deterrent force, thus making it less rather than more effective?

11. Do we want to commit U.S. forces to such an arrangement?

12. If there is an assault by the Soviet block against Western Europe and if our conventional forces fail under that assault, at what point would you resort to nuclear force?

13. What would you describe as "overwhelming defeat"—at what point would our conventional forces be facing overwhelming defeat?

E. Arms control and disarmament

1. With respect to that part of your statement on page 27 dealing with "Arms control and disarmament," I have a few questions.

In a speech you made in Chicago a year ago you spoke of the growing destructive power of Soviet nuclear forces.

Do you think that when the Soviets reach the point of being able to wreak unacceptable damage on the United States, we are in a state of "nuclear stalemate"?

2. What would you call "unacceptable damage"?

3. Do the Soviets have that capability now?

4. If a point of nuclear stalemate is reached, would we in any way have a "decisive margin of superiority" and if so, in what form would it be—and of what significance would it be?

5. Are you confident that the Soviets will be satisfied with a nuclear stalemate—or will they constantly strive for a technological breakthrough to upset the balance in their favor?

6. If a nuclear stalemate exists, with the admitted strong conventional force of Russia facing Western Europe—in the event that NATO forces should be faced with overwhelming defeat in Europe by conventional forces, where does that leave NATO and us if we have accepted the doctrine of nuclear stalemate?

7. Never before in the memories of Americans have we considered ourselves less than superior, or at least potentially superior, to any other power in the world. The stalemate concept negates this.

It seems to me that the stalemate doctrine can have serious long-term effects on our national will, our courage and our determination to resist attacks on our way of life. Do you have any concern on this potential aspect and how would you propose to prevent such deteriorating results?

8. Unclassified estimates of U.S. superiority over the U.S.S.R. in nuclear warheads and delivery systems range from 4 to 1 to 10 to 1.

Why doesn't this superiority afford us the widest range of options—or controlled responses—to cope with Communist aggression and why should we not continue to strive for a war-fighting and war-winning nuclear capability?

9. You have spoken at times in terms of "mutual deterrence"—equating it with "nuclear stalemate." Do you really think that mutuality with Khrushchev is possible—especially when just recently he said that he would live to see Russia and Red China throw the last shovel of dirt on our grave?

10. Should we help Russia reach parity with us by scaling down our power—by slowing up our efforts?

11. On the score of "mutuality," how about the Russians showing some good faith by letting us catch up with them on booster power for rockets and missiles?

12. Do you believe that once the Russians have achieved parity with us that they will then stop their drive to push ahead of us?

SMITH-MUNDT ACT ANNIVERSARY

Mr. MUNDT. Mr. President, you may recall that a few days ago, on the occasion of the 15th anniversary of the Smith-Mundt Act, which I was privileged to coauthor with my esteemed colleague, H. Alexander Smith, I introduced two very important bills, which would stimulate and expand our educational and cultural exchange programs. I am sure you are all aware of the fine results the United States has reaped from these programs, but as I stated earlier here in the Senate, I am sure you are all just as equally aware of the fact that these programs could be implemented to a greater extent by stimulating the functions of the existing exchanges and by expanding them to include other types—such as art exhibits, representing many nations, both here in the United States and abroad.

And, then, I think you are cognizant of the problems, insignificant as they may seem, which the visiting exchange participants are faced with while they are guests of the United States, just small particulars, but the kind which create better relationships through warmer and kinder hospitality. This I think, could be done through better coordination and efficiency in the operation of these programs.

Last year, I assisted with an exchange program, the international soil and water conservation seminar, which was held on the campus of South Dakota State College in Brookings, S. Dak., in which approximately 26 countries participated. Once again, I was made aware of the great contribution such exchanges make toward peace and understanding among nations, but again, I was also made aware of the need for better coordination in these programs, and of the fact that more types of exchanges can be successfully achieved with all phases of social and economic life—from farming to the fine arts.

Along these lines, I was indeed gratified to receive a letter from the man who was most instrumental in the planning and coordination of this seminar in Brookings, expressing his interest and strong approval of my proposals. Through his experience in this seminar he realized the importance which lays in the passage of my two proposals. S. 558 seeks the objective of greater coordination among our exchange programs and bringing out the welcome mat where all visitors can see it. Senate Joint Resolution 30 would amend the Mutual Educational and Cultural Exchange Act of 1961 by stimulating and expanding our already invaluable exchanges.

Mr. President, I ask unanimous consent to insert Dean Orville Bentley's letter into the CONGRESSIONAL RECORD, so

that all of my colleagues might have the benefit of reading the reactions to my proposals by a man experienced in this area.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DIVISION OF AGRICULTURE,
SOUTH DAKOTA STATE COLLEGE,
Brookings, S. Dak., February 5, 1963.

Hon. KARL E. MUNDT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MUNDT: Mr. O'Brien was kind enough to send me a copy of the CONGRESSIONAL RECORD for January 28, 1963, which contained a speech given before the Senate by you on the occasion of the 15th anniversary of the passage of the Smith-Mundt Act.

Your position was well taken, and I found it most enjoyable reading. We, of course, were pleased to note your kind reference to the International Soil and Water Seminar held on our campus last summer. I am sure that everyone concerned with the seminar here would agree that the experience was worthwhile for those who participated and that it had a salutory effect on the faculty in the Division of Agriculture and we hope in broadening our understanding of the problems faced by our neighbors in the developing countries in the area of soil and water resource development.

I especially want to underscore a comment that appears in the third column on page 1193 of the RECORD, wherein reference is made to the importance of having student exchanges, teacher exchanges, and other exchanges related to the academic area. I often say in talking to groups that education is one of the powerful tools for economic and social adjustment. This idea, of course, is not original at all with me, but if this is the belief of a nation such as ours, then we should be sure that education and understanding brought about through it will constitute a tool for the economic and social development of emerging nations. As a nation we all too frequently look to solutions involving material things and minimize the importance of motivation and stimulation of progress through the introduction of ideas and ideals for a free country.

Sincerely yours,

ORVILLE G. BENTLEY,
Dean, Division of Agriculture and Director of Experiment Station.

REMARKABLE PROGRESS OF AMERICAN SLOVAK WOMEN

Mr. SCOTT. Mr. President, Pennsylvania is known as the State with the greatest number of Slovak fraternal organizations. Although their first fraternal group was founded as long ago as February 14, 1890, the Slovaks have continued to be leaders in this field.

Today I would like to pay tribute to the remarkable progress American Slovak women have made in both fraternal life and education. Recently, their largest fraternal organization, the First Catholic Slovak Ladies, which has a large membership in the Keystone State, observed its 70th anniversary. Another large group, the Vincentian Sisters of Charity in Perrysville, Pa., celebrated the 60th anniversary of its arrival in this country. These organizations have contributed much to the progress of the American Slovaks and have enriched our education system with over 421 teachers and nurses, who teach in some 37 schools, mostly in Pennsylvania, and maintain 4 hospitals.

Mr. President, the First Catholic Slovak Ladies will hold their annual meeting beginning Sunday, February 24, 1963. I want to take this opportunity to commend them for their leadership in fraternalism. I would also like to congratulate the Vincentian Sisters of Charity on their outstanding record of six decades.

I ask for unanimous consent that there be placed in the RECORD an article by Mr. John C. Sciranka, well-known American Slovak journalist, a native Pittsburgher and a product of American Slovak fraternalism. The article appeared in the February issue of Dobry Pastier—Good Shepherd—official organ of the Slovak Catholic Federation of America.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEVEN DECADES OF PROGRESS OF SLOVAK CATHOLIC WOMEN IN AMERICA

(By John C. Sciranka)

Beginning this year, the First Catholic Slovak Ladies Union, the largest Slovak women's organization in the world, started on its eighth decade. The organization was founded in 1892 by Mrs. Anna Hurban with the aid of the Rev. Stephen Furdek, who is also known as the "Father of American Slovaks." Mrs. Hurban is often described by her successor, Mrs. Helen Kocan, who is completing her third decade as supreme president in June 1963, as an organizer "with a lantern," who was going from house to house in Cleveland, Ohio, seeking new members in order to be able to form the first Slovak Catholic women's lodge, from which sprung the most progressive women's organization, with a present membership of close to 94,000, whose supreme officers are determined to reach a membership of 100,000 by 1967 when the union will observe its diamond or 75th anniversary.

The Pennsylvania members are proud that although the organization was founded in Ohio, Mrs. Ilona Ratkovic of Pittsburgh, Pa., was its first president.

During the seven decades the following were its supreme presidents: Ilona Ratkovic, Anna Vojna Strunak, Rozalia Hozeny-Bojtim, Pauline Doerl, Anna Ondrej, Frances C. Jakubcin, and the current president, Mrs. Helen Kocan, who took office 3 months after President Franklin D. Roosevelt was inaugurated in 1933, and upon the death of her predecessor, Mrs. Frances C. Jakubcin, of Reading, Pa., known for her energy and determination, which she applied with full force in order to place the organization on a sound financial basis.

Perusing the pages of history of this organization, we must admire the willpower and natural talents of these pioneer women and their successors, who have made its growth possible and use its accumulated assets of $33 million not only to aid its members, but also for the construction and maintenance of various religious, educational, and charitable institutions, among which the greatest is their own home for the aged, known as Villa Sancta Anna, built at a cost of close to a million and a half dollars at Bechwood Village, the suburb of Cleveland, Ohio, 3 years ago.

The organization observed its 70th anniversary in 1962 with religious, civic and fraternal programs in the following cities: Chicago, Ill., where Most Rev. Bishop Andrew G. Grutka, D.D., its honorary president pontificated. This was followed by a celebration at Reading, Pa., where the late supreme president, Mrs. Frances C. Jakabcin, resided. Then the Pittsburgh, Pa., district, from whence came the first supreme president, held its celebration at Vincentian Sisters Mother House at Perrysville, where they also commemorated the 60th anniversary of the arrival of these Sisters to Braddock, Pa., where they began their work of teaching Slovak children in parochial schools. Their number grew during the period of 6 decades to 421 members, who teach in 37 parochial schools, 8 high schools and give religious instructions to children in Sunday schools, as well as nurse the ill in 4 hospitals.

The ladies of Pittsburgh district of this organization made it a double celebration, observing the 70th anniversary of the union and honoring especially the four pioneer-Sisters of this order: namely, Sister M. Claudia, Sister M. Melitta, Sister M. Martina and Sister M. Agilberta, who have been blessed to observe the 60th anniversary of their order in America, where they came on November 14, 1902, at the invitation of the late Rev. Adalbert Kazincy of Braddock, Pa., where they were first established.

The great work of these Sisters was remembered by the generous Ladies Union, who have also paid tribute to their superiors: namely, General Mothers of the Congregation, starting with the pioneer Rev. Mother M. Emerentiana and followed by Rev. Mother M. Ignatia, Rev. Mother M. Gregory, Rev. Mother M. Raymunda and the present Rev. Mother M. Ildefonsa.

This order also maintains a Mother House at Villa San Bernardo, Bedford, Ohio, where the Cleveland-Lakewood district held its celebration. The New York-New Jersey district met at Perth Amboy, N.J., for the festivities and the 70th anniversary programs was concluded with a celebration at Youngstown, Ohio.

The 70th anniversary will also go into history of this union on account of a merger of the Slovak Catholic Cadet Union of Cleveland, Ohio, being concluded, which enriched the organization with additional new members.

The 70th anniversary will also be remembered by the complete sellout of 100,000 Slovak cookbooks, which the organization published. The 11th edition of 10,000 was ordered to fill the new orders. Slovak women are noted for being wonderful cooks and their daughters and granddaughters are following in their footsteps. They published several hundred of recipes for the present and future generations, which is adding to the happiness of homes and families in this modern age.

The organization is making preparations for its quadrennial convention, which will be held in September 1963 at Milwaukee, Wis., at its annual meeting during the week of February 24 at Cleveland, Ohio, where reports will be given by all supreme officers; namely, the above-mentioned supreme president, Mrs. Helen Kocan; supreme chaplain, Rt. Rev. Msgr. Michael M. Tondra; supreme secretary, Mrs. Susan Matuschak, who completed 30 years as supreme officer; supreme secretary of Junior Order, Mrs. Frances Mizenko, who is constantly on the watch to enroll younger members, and Miss Anna R. Yasso, supreme treasurer, who reported recently the total assets of $33,693,649.46. This was accumulated during the seven decades besides the millions paid in death benefits and contributions to religious, patriotic, and charitable needs, for which the organization is known. However, its supreme officers and members feel that it pays to be generous and charitable, for it brings unlimited returns.

Other officers who will render reports are the following: Mrs. Margaret Kuzma, Mrs. Mary Bayus, and Mrs. Veronica Radocha, vice presidents; Mrs. Mary V. Haydu and Mrs. Anna K. Hruskovich, trustees; Mrs. Ella Vlasaty, Mrs. Mary Osadjan, and Mrs. Anna

Zassick, auditors, and Mrs. Elizabeth Lipovsky, editor.

This year the organization, no doubt, will again prove its generosity towards the Institute of SS. Cyril and Methodius, which is being constructed in Rome for the training of priests for Slovakia, where the apostles, SS. Cyril and Methodius brought Christianity in A.D. 863, which is ably described in the official organ of the union "Zenská Jednota" (Ladies Union), edited by an American-born editor of Slovak descent, Mrs. Elizabeth Lipovsky, of Bethlehem, Pa., who is a product, like most of the supreme officers, of American Slovak fraternalism. Mrs. Lipovsky holds the distinction of being a member of the first graduating class of the St. Cyril's Academy, Danville, Pa., which is the girls' school of higher learning founded and conducted by the Congregation of Slovak Sisters of SS. Cyril and Methodius, who are also the daughters and granddaughters of American Slovak pioneers and fraternalists.

UNITED STATES-CANADIAN RELATIONS

Mr. MORSE. Mr. President, I have been both interested and impressed by the response in Canada to my own interest in the Canadian election and the campaign now in progress there. Some of the correspondence I have received from Canadians expresses the view that Americans know very little, and have little interest, in what goes on north of our border.

But that is not true, at least comparatively speaking. As chairman of the Senate's Latin American Subcommittee, I have been following closely the progress of the border program between the United States and Mexico, and it is my sad conclusion that our U.S. relations with Canada are much closer than our relations with Mexico, despite the fact that the latter nation is about twice as populous as Canada. Our trade, our culture, our history, our current alliances, and the contacts of our people, all bear out a comity and friendship with Canada that considerably exceeds that with Mexico.

The border program is one means of correcting that condition. I hope it will be successful. It is possible, in fact, that some of the devices we have set up with Canada could also be applied to our relations with Mexico.

For example, the Interparliamentary Committee of American and Canadian Legislators has been one of the instruments that has promoted closer ties between our countries. It has brought our National Legislators together for the best kind of frank discussion of mutual problems. It has brought about a better exchange of information, including the delivery in my office, at least, of the record of the debate in the Canadian Parliament along with our own CONGRESSIONAL RECORD. Some of the vigor and mutual activity of our interparliamentary program with Canada deserves to be applied to our interparliamentary program with Mexico.

I have been heard to express the view recently that our relations with Canada are too important to leave to diplomats, and that our differences of opinion cannot and should not be swept under the rug.

Today, there arrived in my office a series of editorials from the Winnipeg Tribune, of Winnipeg, Manitoba, which reflect a similar opinion. The editor, Mr. Eric Wells, was kind enough to forward them to me, and I ask unanimous consent that they be printed at this point in the RECORD, together with Mr. Wells' letter.

There being no objection, the editorials and letter were ordered to be printed in the RECORD, as follows:

THE WINNIPEG TRIBUNE,
February 18, 1963.

Senator WAYNE MORSE,
The Senate,
Washington, D.C.

DEAR SENATOR: Over the years your interest in Canadian affairs, particularly in relation to the United States, has been one of the few constant contacts between the two countries in the public domain.

I was pleased to see in a news report the other day that you intend to continue to express your observations on this subject with candor during the Canadian election.

Apart from the depth of the issues involved in the election, which are indeed complicated, there certainly is the need for improvement of American-Canadiar. understanding. In my opinion, there are pollyanna elements on both sides of the border, many in high places or in journalistic circles, camouflaging such differences as do exist.

It perhaps is a symptom of the age that most of us prefer simple conclusions. I believe it is possible to establish a degree of rapport on basic purposes, but unfortunately the extension of policies beyond that must inevitably be complicated, distasteful as it may be to the general public.

I am taking the liberty of sending you a few recent editorials from the Winnipeg Tribune on this subject, because, in general, I believe this matter is getting out of focus, and you can do something about it.

Yours sincerely,

ERIC WELLS,
Editor.

[From the Winnipeg Tribune, Feb. 7, 1963]

UNACCUSTOMED AS WE ARE

There is one fundamental issue which must be faced in the election. It is the question of Canadian-American relations. This is a question that in being discussed at all may raise charges of anti-Americanism. Despite this, it must be faced if this country truly is seeking a definition of its identity.

The creation of a national broadcasting policy, carefully balanced to preserve Canadian content, and the sensitivities exposed by attempts to stem the flood of American magazines, are only glimmerings of this problem's true magnitude.

The election was brought about by the statement of one retired American general, followed by a note from the U.S. State Department. Without these two unexpected events, Parliament probably would have continued for some months. At least it would have continued until a domestic issue had emerged to demand a realinement of control.

Instead of the normal procedures of responsible government, this country has been precipitated into an election by actions from outside. There is nothing to be gained in disguising the fact that American opinion of how we conduct our affairs pulled the keystone out of our political edifice. This brought about the defeat of government, forced an election, and in doing so revealed an abyss between two nations. For generations both had camouflaged their differences under the euphemistic admiration of thousands of miles of undefended border.

It is a matter of considerable significance that this abrupt demonstration of American influence on our internal affairs has not resulted in immediate violent Canadian counteraction. It is most unusual for a nation to absorb such an upset to its complacency without giving some evidence of hostility. Only those nations which exist as satrapies who know their masters would be so docile. But Canada prides itself on its independence. And it can only be that our confidence in the American people outweighs our national sensitivities for us to receive this without affront.

Despite this, we still have a problem. In the course of a few weeks, the subject of defense—and more particularly nuclear policy—has brought about an election because the matter was propelled to our attention by American expressions of opinion, some official and some not. It was a vague, undefined subject which didn't demand our attention in the election last June, at least it was not an issue. Suddenly, it has become the most pertinent issue of all, exposing the core of our national misunderstanding of American concepts of being neighborly.

It is a stimulating challenge for both Americans and Canadians now that this subject finally has surfaced. Much too long was it submerged by the afterdinner speakers extolling our friendship as something so precious that to express differences was akin to blasphemy. Whatever differences there may be should take on definite form so that they can be discussed, perhaps resolved, and, at least, respected.

In approaching this North American confrontation, it should be recognized in advance that there are many supersensitive types on both sides of the border who won't like it the least bit. They are the ones who believe that friendship cannot survive differences. In Canada, this group will shout "anti-Americanism" on any Canadian viewpoint expressed.

But in the United States itself there will be a larger group which will appreciate hearing from us after years of silence. In that country where the pronouncements of government are not held to be beyond criticism by the public, many are aware that years of absence of candor, have at last been revealed at official levels. In now discussing policy differences, the matter does not involve anti-Americanism at all.

Of all the voices raised in criticism of American foreign policy, the most penetrating come from within the body of American opinion itself. But all around them, in the ranks of their allies, they are accustomed to pussyfooting platitudes, particularly from Canadians. Now, they would like to know what do we really think, and what is our definition of national purpose.

It should be remembered that we are dealing with Americans, the same people who began a revolution to demand that they, as colonists, should enjoy the same rights as Englishmen which in 1776 were denied them. Canadian rights to opinion on outside policies affecting our future are not denied, and we should not be timid about expressing them. Thoughtful Americans will readily understand.

[From the Winnipeg Tribune, Feb. 15, 1963]

THE COVER TREATMENT

Newsweek, a news-interpretive magazine, has given Canada the cover treatment. Gone are all the platitudes and the cloying tributes which featured its previous rare excursions north of the border. Today we aren't very nice people. At best, it appears that Canadians are a bunch of timid tenants overdue on their rent for half of the continent.

There is no purpose in disputing the conclusions of this magazine. Its version of the events in Canada recalls Dr. Johnson's ri-

poste: "I have found you an argument, but I'm not obliged to find you understanding."

Argument is easy, understanding is difficult. We doubt if Newsweek could grasp that.

Just the same, it is interesting to see how the Canadian confrontation—for that's what our election has become in the United States—is being processed by a mass media circulator on which so many Americans depend for guidance. There is no point in disputing the superficial conclusions.

Newsweek has served a useful purpose for it reveals the gulf separating large bodies of American and Canadian opinion. It is made apparent that even in sharing the same language, we do not automatically achieve understanding.

Both countries have been careless about this matter. The merest whiffs of controversy result in charges of anti-Americanism, anti-anti-Americanism, and anti-Canadianism. It is not a compliment to our common heritage and our vaunted freedom of speech to realize how much misunderstanding exists.

It is more distressing to note the emphasis on such "anti" speculation in view of the mutual trust and respect that is the basis of our friendship. Both nations are to blame for this diversion because of the lack of candor in times past.

In the current Newsweek article Canadians are under the microscope. That's the way some Americans see us. Although we don't agree with Newsweek's assessment, the fact cannot be escaped that Canadians are on the hot seat.

That's Canada they're talking about—not the Congo.

[From the Winnipeg Tribune, Feb. 16, 1963]

TRADE SURPLUS

Yearend figures issued by the Dominion Bureau of Statistics with respect to Canada's 1962 foreign trade give solid ground for optimism. There was a net merchandise trade surplus of approximately $80 million, the second consecutive trade surplus since 1952.

It is encouraging that the increase in dollar value in both imports and exports was not entirely due to the devalued Canadian dollar but represented a significant increase in physical volume.

There are one or two points in the Dominion Bureau of Statistics report which are worthy of special note if only because they ought to be borne in mind when discussing Canada's future trade prospects.

First of all, the overwhelming preponderance of primary and partly processed products in our exports continues. The order of importance is also useful to keep well in mind.

The priorities are: Newsprint, wheat, lumber and wood pulp, nickel, aluminum, crude oil, iron ore, copper and uranium. When considering foreign trade in relation to this country's tariffs and also when assessing the importance of the various sectors of our internal economy in that trade, these facts must not be lost sight of. These products continue to be the bread-and-butter earners which permit us to import more highly processed goods from abroad. Any national trade policy which ignores this situation could get us into serious difficulties.

Another item in the Dominion Bureau of Statistics report that needs to be thought about is the preponderance of our trade both in imports and exports with the United States. While our trade surplus with Britain, our second biggest trading partner, reached almost $360 million, our deficit with the United States was $565 million. It is not difficult to understand where our balance-of-payments difficulties arise. Our total trade with the United States was more than $8 billion while with Britain it was only $1½ billion.

Another check on overexuberance in considering the yearend trade figures is the fact that Canada's sales to Japan, West Germany, France, Belgium, Luxembourg as well as Eastern Europe and Latin America fell by around 5 percent. This falloff in sales was precisely in those markets where it was hoped our big export drive would have the most effect. It means that the hoped-for improvement in our trade with such highly industrialized states as Japan, West Germany, France, and Belgium did not occur. A continuation of this situation could provide ammunition for those who argue that Britain's entry into EEC would not necessarily benefit Canada.

By contrast with the above disappointing growth in export trade to some countries, gains were noted in the Dominion Bureau of Statistics report of exports to China, Australia, the Netherlands, Italy, and Venezuela. Although Australia figured in the improvement there remains little in the 1962 figures to indicate that any substantial future exists for Canada in some sort of Commonwealth trading alliance.

We ought to face soberly the fact that Canada is committed to the United States to a degree that must color all our other relationships. It would be healthier for this country if this were not so, but the facts stare us in the face.

The United States must also be prepared to recognize that our undue reliance on trade with that country imposes on the Canadian Government an imperative need to seek ways and means to modify this situation. The United States has a balance of trade in her favor of astronomical proportions. There is plenty of leeway in this area for Canadians to search for alternative sources of supply, which in turn should logically become alternative markets, without the United States becoming upset about our efforts.

It also should be useful for the United States to remember that in our search for alternative markets, by which means we may hope to balance our international payments, we compete with agricultural and other surpluses which the United States itself is trying to dispose of. Attempts by the United States to do this by price-slashing would only aggravate the difficulties of their largest trade partner.

The figures of our trade during 1962 certainly reinforce the argument that it is only by a total increase in all world trade that we shall find any sure way to continued prosperity. Trade blocs cannot possibly be, for Canada, a long-range solution. What we have to do is get into a position where we can get the maximum benefit from a total increase of all trade. It is more than ever clear that it is on the general agreement on tariffs and trade that our main hope should be pinned.

[From the Winnipeg Tribune, Feb. 18, 1963]

THE IMAGEMAKERS

Canadian-American relations need improvement at policy levels of government. This is particularly desirable on matters of mutual involvement. In the current controversy on nuclear arms neither country, as far as can be ascertained, has achieved understanding of the other's position.

In Canada there are many who attempt to blame this situation on the Canadian Government. In the United States there are many more who attribute the blame to the U.S. State Department. Most of this type of criticism comes from partisan interests which are not necessarily reflective of the best interests of the two countries. There is a similarity among the partisan critics on both sides of the border. Each group accuses its own government of being "ham-handed, grossly misinformed, laggard, and incompetent."

Another similarity in the partisan viewpoint is the mutual emphasis placed on "the image" of one's country abroad. These imagemakers apparently want their countries to present a placid and fatuous expression of tranquility, polished by public-relations techniques.

The blandishments of the imagemakers should be discarded by Americans and Canadians alike. Too long have they influenced attitudes, disguised issues, and misled our countries.

It is this newspaper's opinion that governmental policy differences cannot be interpreted as "the image" of respect that people of one nation hold for another. If it were so, there would scarcely be any understanding left on the globe, little as it may be in some quarters. The imagemakers have written off Canadians in Britain and the United States, have denigrated the Americans in Europe; and have demoted the French everywhere.

Just the same, it is necessary that countries should continue to improve the channels of consultation to assist in defining areas of differing views. Arnold Heeney, chairman of the Canadian section of the International Joint Commission, had this in mind when addressing the Canadian Club of Montreal last month.

Outlining the history of this commission which has been working for 50 years, Mr. Heeney pointed to numerous accomplishments. For the most part they dealt with problems of water resources which overlapped the border. He said the commission has contributed "a desirable sanity and permanence in our relations," and this is beyond dispute.

In looking to the future, Mr. Heeney said he wondered "whether this same principle and similar procedures could be usefully extended beyond problems of the boundary." The idea, he said, "seems worthy of consideration, on both sides, and this especially as Canadian-United States mutual involvement, and our 'dealings with Uncle Sam,' increase daily in volume, complexity and significance."

Obviously, as events of recent weeks have shown, both countries could benefit by improving the contact for "desirable sanity and permanence in our relations" such as Mr. Heeney suggests.

Mr. MORSE. Mr. President, I am especially interested in the reference to the International Joint Commission, and the observations about it made by Mr. Arnold Heeney.

On the question of the substance of the principal difference of opinion which brought this whole matter to the fore in both our countries, I do want to make one or two more observations. Canadian objections to our State Department's note have been long and loud and have been particularly emphasized in the correspondence I have received from individual Canadians on this matter.

Yet the subject matter of that note was and will remain a vital matter to the United States. As a matter of fact, I have been reminded in the past few weeks of the decades of debate that went on in this country over the St. Lawrence Seaway. In that instance, it was the United States which hemmed and hawed, and tried to say yes and no at the same time. I do not know how long we would have kept Canada on the string, so to speak, if the word had not been delivered here, loud and clear, that Canada was tired of American fencesitting, and was going to go ahead and construct the seaway without us if we did not make up our minds in a hurry.

Now, of course, it was our prerogative to decide for ourselves whether or not we wanted to join in making the seaway a joint venture. But that in no way changed the fact that Canada was, if anything, more vitally affected by our decision than we were ourselves. For the United States, the seaway looked like a good thing, but not an essential thing. For Canada, it looked essential, and it was her responsibility to her own future to build it herself if the United States declined to make a decision.

The shock treatment applied by Canada on that occasion got results. I do not remember that anyone said or felt that it was an interference in the affairs of the United States. It was a plain statement of Canadian policy.

That is why I think the defense matter is in very much the same category. No one in the United States is saying that Canada must have nuclear weapons. But she did enter into an agreement calling for them, and if she declines to carry it out, then the United States must make provisions for our own defense.

This is as true of the future as it is of the present. The argument is being made in Canada that manned Soviet bombers will probably not be as much of a threat 10 years from now as they are today, and because the Bomarc missile is an antibomber weapon, it does not matter much whether they are effective or not.

That does not say much for our North American defenses during the period when manned bombers will be a threat.

Worse yet, it says nothing about the time when an antimissile missile will be developed, as it surely will be. That missile will also have to have a nuclear warhead. What will Canada's policy be then? Will she have new reasons why it would be undesirable to have them on Canadian soil?

I quite agree with the Canadian critics of the United States who say that this is a Canadian decision. But it is one that is vital to the security of the United States.

And what Canada does about it must produce an immediate response in the United States. We must either proceed to work out better and more effective joint defenses against nuclear attack, or we must work out an American defense for American cities.

INDUSTRY AND AGRICULTURE IN THE EUROPEAN ECONOMIC COMMUNITY—ADDRESS BY DR. WALTER HALLSTEIN, PRESIDENT, EUROPEAN ECONOMIC COMMUNITY

Mr. CURTIS. Mr. President, on December 6, 1962, Dr. Walter Hallstein, president of the European Economic Community, addressed a special 75th anniversary convocation at Nebraska Wesleyan University in Lincoln. Because the Common Market is of great importance to our economy and to our legislative approach, I ask unanimous consent that the entire program, including the introduction of Dr. Hallstein, be printed at this point in the RECORD.

There being no objection, the program was ordered to be printed in the RECORD, as follows:

INDUSTRY AND AGRICULTURE IN THE EUROPEAN ECONOMIC COMMUNITY

(By Walter Hallstein)

(Dr. Vance D. Rogers, president of Nebraska Wesleyan, presided at a special 75th anniversary convocation on the campus in Lincoln, December 6, 1962. The convocation featured Dr. Walter Hallstein, president of the European Economic Community. Dr. Rogers presented the Honorable Senator CARL T. CURTIS, U.S. Senator of Nebraska, for the introduction of Dr. Hallstein.)

President Rogers, Governor Morrison, distinguished guests, and ladies and gentlemen, we here in the heartland of America are both privileged and honored to have with us today Dr. Walter Hallstein, president of the Commission of the European Economic Community.

It is gratifying to all of us that Dr. Hallstein can meet with us to discuss America's stake in the Common Market.

To identify our honored guest let me point to his accomplishments prior to his presidency of the Common Market. Dr. Hallstein studied law and economics at the Universities of Bonn, Munich, and Berlin. A lawyer by profession, he earned the prized doctoral degree in law from the University of Berlin.

Dr. Hallstein served as rector of the University of Frankfurt from 1946 to 1948 and during that time was president of the Conference of German University Presidents. During the academic year 1948–49, Dr. Hallstein was guest professor at the Foreign Service School of Georgetown University in Washington, D.C.

Prior to his election to the presidency of the Common Market in 1958 Dr. Hallstein served as Under Secretary of State in the German Ministry of Foreign Affairs.

Dr. Hallstein is a native of Germany's Rhineland. There is a bond between Rhinelanders, French and German, a bond which inspired our guest to work for economic unity of a free Europe, a unity which can avoid war, can elevate human existence, and can lead, he hopes, to eventual political unity in Western Europe.

Dr. Hallstein is firmly committed to the principles of free enterprise. He knows they will work, and he knows they are free Europe's most formidable weapon against the Communist conspiracy.

In this audience are leaders of American agriculture and others keenly interested in the fortunes of American agriculture—the best and most efficient producers in the world are represented here today. We meet here to learn. We are devoted to the objective of mutually advantageous trade in agricultural commodities. Rising living standards and increasing prosperity for any segment of the free world benefits all in the free world and will ultimately benefit all mankind.

I give you Dr. Hallstein.

Mr. WALTER HALLSTEIN. To have been invited to address this gathering in the agricultural heartland of the United States gives me a great sense of satisfaction. The overwhelming impression of technical progress in America too easily blinds us to the fact that the United States is also the world's foremost agricultural power. I know that a major part of this agricultural strength has its roots in the great region of the Middle West which I am at present visiting.

This is the first time that I have represented the European Economic Community in this part of the United States. It therefore falls to me to begin by giving you a broad outline picture of this organization established by six states of continental Europe—Belgium, France, Germany, Italy, Luxembourg, and the Netherlands—and then I would like to say something about our Community's agricultural policy.

I

Economic integration in Europe began with the European Community for Coal and Steel which came into existence in 1952 and in which two important—indeed politically important—key industries were brought under a common system. On January 1, 1958, the Coal and Steel Community was joined by the European Atomic Energy Community and the European Economic Community. The intention in founding these bodies was to replace national isolationism by a European public spirit and to underpin this change by means of common institutions and common rules. A political effect was to be achieved through amalgamation of the national economies to put an end to a centuries-old history of conflicts and wars between Europeans in which the whole world had all too often been involved.

The European Economic Community, which is the most comprehensive of these three undertakings, has rightly been called a three-stage rocket. Its first element is a customs union; its second economic union, and its third political union; in other words the extension of European unity beyond the economic field to embrace defense, diplomacy, and culture.

The customs union is the core of what we are building. What it means is that between member states all customs duties and quantitative restrictions will be gradually dismantled and that in relations with the outside world a uniform external tariff will be introduced. This uniform external tariff is the logical consequence of the abolition of customs duties within the Community. Since everything imported into a member state can circulate freely in the whole Common Market, differing external tariffs would lead to diversion of trade. This customs union is today halfway toward completion. Internal customs duties have been reduced by 50 percent and the first step has been taken to bring into line with the common external tariff the duties which member states charge on imports from third countries. This means that we are already 18 months ahead of the calendar laid down by the treaty establishing our Community, the Treaty of Rome. Further accelerations have in some cases already been decided on and yet others will be proposed by my Commission.

The second element of our Community is the economic union. By this we mean that the Common Market, as our Community is called, is not merely an agreement about trade in goods, but that it aims at nothing less than the gradual merging of six national economies into one European economy—and this means that there must be free movement of capital, free movement of workers, the right of establishment for entrepreneurs and freedom to supply services.

These ends are to be attained by amalgamating the hitherto separate economic and social policies of the member states, either in the form of completely merged common policies instead of the previous national policies—in agriculture, for instance, in transport, in commercial matters—or in the form of a more or less complete common responsibility and common discipline in shaping the policies of the several states.

Whereas the first 4 years of our Community, which coincided with the first phase of the 12-year transition period, were mainly given up to the introduction of the customs union, 1962 can be designated as the year of breakthrough to economic union. This breakthrough is symbolized by the adoption, at the beginning of the year, of fundamental principles for a common agricultural policy and for a common antitrust policy.

Several weeks ago my Commission, which is the executive organ of the European Eco-

nomic Community, submitted an action program relating to what still needs to be accomplished in the economic field; this program has been thoroughly discussed in the European Parliament, where it was received with unqualified approval. From the organizational angle also, this move to the second stage of the transition period is of great importance, for, under our treaty, the further course of the transition period can no longer be slowed down by the veto of any one state. When the move was made from the first to the second stage this was still possible.

Moreover, the development of economic union did not begin at one stroke on January 1 this year. The first signs of it were apparent before this: in 1960 in the field of capital movements, in 1961 in connection with the free movement of workers and the right of establishment. In the field of transport policy also a beginning was made some time ago with the abolition of discrimination on grounds of nationality and proposals for modernizing and improving communication networks have been adopted.

In various other fields in which the Community is active proposals have been made and decisions taken: labor programs, harmonization of legislation, patent law, indirect taxation, vocational training, coordination and consultation on monetary matters, etc. And then there is a particularly important field of common policy; namely, commercial policy. Only at the end of the transition period, on January 1, 1970, will this become a Community responsibility (unless it is decided to shorten this period). But little by little common action is already beginning to emerge in this field, too. One example of this is the success of the negotiations by which Greece has been associated with our Community. The treaty of association came into force on November 1.

Another example is provided by the "Dillon round" of negotiations in GATT, that worldwide association for tariff and trade policy, at which reductions were made in rates of duty. From the outset the Community helped these negotiations forward by the liberal attitude which it adopted. We are also hoping in the very near future to conclude the negotiations which are in train with the 18 African States associated with us; their purpose is to recast the present convention in the light of the developments which have occurred since it was signed, in particular the accession to sovereignty of our associates.

At the moment, however, the most important example of negotiations between the Community and a nonmember state is provided by the conference on Great Britain's entry as a full member. These negotiations are the most impressive token of the success of our Community and at the same time a turning point in British policy toward Europe. Their importance is matched by the difficulties involved for both sides. The Community finds itself face to face with a country which has exceptionally wide and varied links with other parts of the world. Great Britain will have to break with many habits and traditions and accept commitments of a kind it has so far avoided.

On the other hand these negotiations offer an exceptional chance of tackling problems which can be solved only on a world scale, such as world trade in farm products, help for underdeveloped countries, and currency problems. I cannot go into details here. I can however say that so far these negotiations have on the whole made very real progress. As you know, other countries have joined in the movement. Denmark, Norway, and Ireland also wish to become members, and other European countries want either to be associated or to conclude an organic trade treaty which would give permanent form to their relations with the Community.

No less important is the second event in which recognition of our Community as a successful reality finds expression: President Kennedy's Trade Expansion Act. If good use is made of the chance which this holds for a genuine Atlantic partnership between the United States and the European Community, it might establish in the non-Communist world an economic order which would be decisive for the character of the second half of this century and would make an immense contribution to the prosperity and strength of the free world.

Even the attitude of the Soviet Union towards Europe has been changing during these months. Instead of routine polemics on the lines of the well-known cliche that "the capitalist world will be destroyed by its own internal contradictions" a more realistic judgment is being formed. Interest in us is growing and our existence now and in the future has even, it seems, been accepted.

As I have said, the third stage of the Common Market rocket is political union. This political union too has already begun; indeed it is implicit in the form of the European Economic Community itself for in fact this Community is, as I have already said, political in its motivation. It has political institutions of a Federal or quasi-Federal type: a Community executive—my Commission—which is independent of the member governments; a Council of Ministers of the member governments forms the supreme legislative organ of the Community; there is a Parliament which alone has the constitutional right to dismiss the Commission; and then there is the Supreme Court of the Community. Finally—and this too I have already said—the elements being amalgamated are political: they are essential elements of economic and social policy previously controlled by national governments and parliaments.

Let me now consider the economic results of what is known as economic integration. They are reflected in the following figures:

From our beginning in 1958 through December 31, 1961, the value of our gross Community product rose by 18.5 percent and estimates available now indicated that the figure will be 24 percent for our first 5-year period. Thus we have enjoyed the fastest growth rate of any major economic area in the world.

Industrial production rose 29 percent in the 1958–61 period and our calculations indicated that the result for the 1958–62 period will be 36 percent.

The rapid phased reduction of tariffs and the response of Common Market-thinking businessmen has undoubtedly contributed immensely to an unusual growth in intra-Community trade—73 percent for the period 1958–61. And here we expect the increase to be of the order of 92 percent over the first 5 years.

Contrary to the fears of some, our trade with the world has benefited, not suffered, because of our domestic progress. Our imports from 1958 through 1961 rose 27 percent and our exports 28 percent, a particularly high rate of expansion, with our imports from the United States rising 44 percent. We believe now that 1962 will show something like a 5-year increase of 39 percent in imports and a 30 percent increase in exports, with imports from the United States having risen about 59 percent.

The assessment of future prospects is similar. Our gross Community product, which was slightly more than $181 billion in 1959, may rise to $288 billion by 1970, on the basis of a recent study made by our Commission. This would represent an increase of almost 60 percent in the present decade. Private consumption in our economy totaled $110.6 billion in 1960, but our projections indicated that it may reach $184.4 billion by 1970, an increase of more than 66 percent.

This is the edifice which we have erected, and this is the life which informs it. The common agricultural policy occupies an important place therein.

II

And now I should like to raise a question: Why do we in fact have a common agricultural policy? Is this change from national agricultural policies to a common European agricultural policy more or less a move by the Europeans to insure advantages for themselves?

I will attempt to answer these points. We will all agree that there must be such a thing as an agricultural policy, that the state must endeavor to see that farmers obtain an adequate income. The agricultural market is not such that it could be left to itself and to that free competition which renders us such good service elsewhere. As we all know, agriculture is a special case and if the farmer is left to his own devises, he cannot keep up with the rest of the economy.

Each of the six states which founded the European Economic Community had its individual policy for agriculture, a policy with long traditions, a wide range of instruments for applying its policies. Like all agricultural policies in the world, these policies fulfilled their purpose more or less satisfactorily. For the rest they were fundamentally different from each other: the methods were different, the branches of agricultural production which they covered were different, and the resulting prices were entirely different.

A common market, a large unified economic area, can, however, function only if it covers all goods including agricultural products. It is not possible to exclude agricultural products from a common market and not to allow them to circulate freely among the member countries. Nor was there any intention of excluding them: for the purpose of the European Economic Community is after all the merging of the separate national economies of the six member countries. The frontiers for agricultural products, the customs and levies and also the quantitative restrictions between the member states must therefore be dismantled for farm products as well. But this is possible only if agriculture operates under roughly equal conditions in all the member states. As we know, grain prices in Germany are very high while French prices are lower. Free movement for grain and all products made by processing grain can therefore be achieved only if there is at least gradual introduction of one common price. Another obstacle appears in the subsidies which the various states pay for this or that agricultural product. Here too, it is only possible to establish a free exchange of goods if the same products are subsidized or if the subsidies themselves are abolished.

The inclusion of agriculture, however, is not only a question of the free exchange of goods, it is also a question of economic policy. If a unified European economic territory is to be created, with an economic policy which is a Community responsibility, then agricultural policy cannot remain national. It is such an essential component of overall economic policy that it must be fitted into the large framework along with the rest. Its importance can be measured by the fact that almost 25 percent of the population in the Community is agricultural. The proportion in the United States is only half as high. In the European Economic Community agriculture contributes about 11 percent to the gross product, while in the United States the figure is only 4 percent. In the European Economic Community there are 9 million farms; in the United States with its vastly larger territory on the other hand only something over half that number, some 5 million. The average size of farm in the Community is then 4.5 acres, or only one-eighteenth of the average size in the United States, where the average farm covers more than 80 acres. Correspondingly the area cultivated by one man in the United States is much higher than in the Community: 130 acres as against

11 acres. You see therefore that agriculture has immense importance for the European Economic Community.

At the same time the situation of agriculture in Europe—and this is evident from the figures already given—is greatly in need of improvement, except perhaps in the Netherlands. Things could not go on like that. The need for reforms, for European agriculture to move into the second half of the 20th century, is therefore the second reason why we need a common European agricultural policy.

Now what are the aims of such a policy?

The first aim of all agricultural policy is to insure an adequate income for the farming population. When you reflect that the quarter of the total population represented by the farming population of the European Economic Community amounts to 40 million people, you understand the importance attaching to this. The common agricultural policy bears a responsibility for the well-being of 40 million human beings. That is one side of the question. The other is that, because of our political responsibilities, we must have the support of these 40 million people to build up the European Economic Community. It is impossible for us to do it without them or even against them.

The second aim of the Community's agricultural policy is to increase the productivity of agriculture. For this purpose it is necessary to encourage technical progress, to favor the rationalization of agricultural output and to arrive at optimum use of the factors of production, in particular manpower. This too is an immense task in view of the situation which emerges from the figures quoted. It is not our purpose to keep an out-of-date system alive. The common agricultural policy requires rather that European agriculture shall make a great effort. Each individual enterprise must face the question whether it is profitable or not. We are not certain that every one of these enterprises can answer "Yes" to this question and we wish to help those farmers who realize this to face the consequences. We are therefore convinced that agricultural problems cannot be solved in the framework of agriculture alone. Rather must the other sectors of the economy help to facilitate the adaptation which agriculture must undergo. In other words a necessary part of the common agricultural policy is a regional development policy creating new jobs in farming areas so that all those who wish to cease working in agriculture can earn an adequate income through other activities, whether in industry or in the service sector.

The third great aim of the common agricultural policy is balance between production and consumption. In Europe too we note—as do most advanced industrial countries—I will have a few words to say about this later—that production is overtaking consumption. As we modernize agriculture, increase its productivity and apply rational methods of production (and this we must do if farm incomes are to maintain an adequate level), the problem of latent surpluses in a whole series of farm products becomes increasingly urgent. We are already producing more dairy produce and more pork than we can consume. When allowance is made for yearly fluctuations, our own production of sugar just meets the demand. Surplus production is both an internal and an external problem. An internal problem: no agricultural policy may be applied which artifically stimulates production. An external problem: the degree of self-sufficiency directly determines the amount which can be imported and the quantity which has to be exported.

The fourth aim of the common agricultural policy concerns the consumer. The fact that I mention him at the end of my list does not mean that less importance is attached to his interests than to any others, even if it is already almost a tradition that he is mentioned at the end when speaking of agriculture. But in the last resort it is, after all, for him that the whole of agriculture exists. Agricultural policy must supply him with the necessary foodstuffs at reasonable prices. The level of the cost of living has a decisive influence on wages policy and hence on the economy at large. Particularly for such a highly industrialized area as ours, where foreign trade accounts for more than 30 percent of the gross product, the interests of the consumer are at the same time vital interests of the community as a whole.

What are the characteristics of the common agricultural policy devised to achieve these ends? I think that we can find certain features which it has in common with American farm policy. Basically the range of possibilities open to agricultural policy is pretty limited. Either market prices can be allowed to develop freely and imports made without restrictions or protectionist measures of any importance, in which case farm prices will be very low and direct subsidies will have to be paid to farmers so that they have an adequate income; this is the system applied in Great Britain, and it is only practicable when the agricultural population is not too numerous. Or farm prices must be fixed high enough for the farmer to earn a living from them; protection is provided at the frontier against too heavy and too cheap imports and the state buys from farmers what they cannot place on the market. This system is applied in the United States and under the common agricultural policy.

As far as imports from nonmember countries are concerned, the common agricultural policy provides for a uniform system which consists simply of levies or customs duties. The levies are variable payments which offset the differences between prices outside the Community and the prices which agriculture requires within the Community. The charges made on imports from all nonmember countries are the same. They are therefore—and this is a very important point—nondiscriminatory. This system replaces all other restrictions on imports such as quotas, compulsory mixing, monopolies, and state trading formerly existing under the national policies of the member states. The common agricultural policy thus pins its faith to a nondiscriminatory multilateral world trade system in which the consumer has the last word on what amounts and qualities shall be imported and from what country.

As far as the details of our common agricultural policy are concerned, we have not yet finally agreed on the whole system. What already exists is the framework, the instruments for applying the policy, in other words we have decided that there will be a target price and an intervention price for grain, that there will be levies between member states and at the external frontiers, that there will be certain financial measures. These instruments of policy are, if you permit me the expression, agriculturally neutral, and it is possible to use them in connection with this or that agricultural policy. The decision as to what is to be made of these instruments will come the moment we decide on the common grain price, that is the price which is to obtain for the whole Community and toward which the still widely differing national prices must move. We have already begun thinking about this in Europe and our Council of Ministers must take the first decisions by April 1, 1963.

These are therefore the motives, the aims, and the most important elements of our common agricultural policy, its internal European aspect. What is the external aspect, the world situation of agriculture and agricultural policy, into which this common policy is being fitted? I mean the situation as it is, which exists even without the common agricultural policy and with which our policy must come to grips. This brings us to the problems of agricultural trade.

Here we must begin by distinguishing between the advanced countries with high income, on the one hand countries such as the United States, the Community, Canada, Australia, not to mention Japan and those countries on the other hand, which are in course of development and have a low income—South America, Asia, and Africa. The relationship between production and consumption is very different in these two groups of countries. The advanced countries produce quantities which almost completely cover their own requirements; they even produce surpluses, and so they must export. On the other hand, demand in the developing countries, almost without exception, is enormous. They can, however, import only on a limited scale, for they have not the foreign exchange with which to pay for imports. In fact exports to the developing countries in recent years have hardly increased. Against this there has, in the advanced and industrialized states of late years, been a certain demand for particular products, and this has even led to their being imported on a larger scale. This applies also to the Community, which in 1958 imported from the United States about $265 million worth of grain and livestock products and in 1961 about $490 million worth. It was particularly grain imports from the United States which thus increased from $200 million in 1958 to about $395 million by 1961.

A new branch of American exports to the Community is table poultry, which increased from $2.7 million in 1958 to $36 million in 1961, or more than thirteenfold.

These figures show that in the member states there was still a demand which was met by importing products from overseas. Broadly speaking, however, we must assume that farm output in the developed countries—therefore in the Community—is growing at a rate of some 4 percent per annum. This is a natural outcome of technical progress of agriculture having discovered what chemistry can do for it, and the 4-percent increase of output is occurring without any particular stimulus, such as higher prices. Except for some livestock products consumption is on the whole expanding at the same rate, so that the margin for imports is not very wide. It is mainly in coarse grain, beef, high-grade wheat, and vegetable oils and fats, that the Community still needs to import in order to meet demand. All concerned must realize this, and the Community too will have to bear it in mind when it begins to work out its price policy.

The developed countries, therefore, are only to a limited extent capable of absorbing a constantly rising agricultural output. But, as I have shown, the developing countries cannot take surpluses either. The United Nations Economic Commission for Europe (ECE) has calculated that a mere 3-percent annual increase in the standard of living of these countries will mean that in the 10 years from now their imports will have to mount from their present level of $10 billion to $35 billion. Only a small part of these imports can be paid from development aid. It may be possible to set up special funds to deal with this matter. As you know, the FAO and France are strongly in favor of such a policy. Nevertheless, the developing countries will always have to pay in foreign exchange for a considerable part of their imports, and this in turn they must earn by industrial exports. For these they need markets, especially in the developed countries. In other words, they will only take more agricultural produce if we help them to find these markets. We must therefore keep in mind this further link between our policy for trade in indus-

trial goods and the problem of our agricultural outlets.

At any rate, we find—and this is the reason why I have dealt in such detail with the interdependence of these matters—that the emergence of surpluses in the developed countries has nothing to do with the establishment of the European Economic Community or its common agricultural policy. It is simply the result of technical progress in agriculture and the poverty of those countries which still have a large food deficit. The relationship between demand and output would not be any better if there were no Economic Community.

With the establishment of the European Economic Community the matter has, however, reached a new stage. The change is twofold: First, the principal European consumer countries are for the first time acting as a unit with a uniform agricultural policy, which enables them to arrange their relations with the outside world in uniform manner. This was not possible so long as there were six states, each of which had its own farm policy. Now that agriculturally they are being merged into one unit, an entirely new—and we feel big—chance is being opened up.

Secondly, the problem of world agriculture has entered into a new stage through the prospect of British membership of the Common Market. A single market of more than 250 million consumers, which is what would result from such an extension of the Community, would be the world's largest importer of agricultural produce. It would take almost 70 percent of the world's coarse grain imports, almost 70 percent of all butter imports, nearly 60 percent of all wool imports and over 50 percent of all meat imports, to quote but a few examples. The question of how such a market would regulate its imports will then be the key problem for world trade in agricultural produce. Such an expanded Community would, therefore, bear a great responsibility.

What then are the procedures which, if these opportunities are grasped, will result from the merging of the European agricultural policies? First, we can consider dealing with this issue in the framework of Atlantic partnership. With the Trade Expansion Act, President Kennedy has, as you know, laid the foundation for a partnership between the European Economic Community and the United States, and comprehensive tariff negotiations are planned which should lead to a considerable reduction of customs duties on either side of the Atlantic. The United States has suggested that in the course of these negotiations, these two units, the United States and the European Economic Community, should also discuss agricultural matters. Mr. Freeman, your Secretary of Agriculture, has spoken in favor of such a widening of these talks. The European Economic Community will shortly make its views known.

In the wider context, consideration must be given to the possibility of worldwide arrangements for certain items. It seems paradcxical that there should be a very highly developed market organization for the individual national agricultural markets, while at the world level there are only a few fragmentary beginnings, such as the World Wheat Agreement. Nor has GATT, which is really the large-scale multilateral commercial organization of the Western World, been able in its present form to solve the problems of agriculture. The GATT rules leave so much margin that each government is virtually free to pursue whatever agricultural policy it likes, and for some countries, including the United States, there even exists a formal waiver, so that these rules are not applicable at all.

Such worldwide agreements, covering the main agricultural products, would have to be concluded between all producer and all consumer countries. In the negotiations concerning British membership of the European Economic Community, the Commission has already made proposals for such worldwide agreements. We believe that, if Britain should join the Common Market and the present preferential system between the commonwealth countries and the United Kingdom disappear, the special problems that would face the commonwealth countries could be solved through these agreements; they should, however, bring in the other nonmember countries and thus establish a worldwide multilateral trading system for the products concerned.

We therefore believe that here, too, the European Economic Community can make a major contribution to the future economic system of the free world. In this way we shall convince those who doubt whether the free world can overcome the problems facing it, and prove to those who hope it will come to grief, that Europe and the United States, that free democratic convictions, are not merely a thing of yesterday but will still be there tomorrow and the day after. For the inner meaning and most convincing justification of our European union will stem from the realization that a system based on freedom not only is better, but also works better. This is the contribution we are making to the strength of the free world and to peace.

THE SITUATION IN THE SOUTH PACIFIC

Mr. SCOTT. Mr. President, several times in the past I have addressed myself to what I consider to be a most alarming situation in the South Pacific area. That situation is the increased warlike activity on the part of President Sukarno, of Indonesia, and his arming of the Indonesian armed forces with the help of the Soviet Union. It is reported that the Indonesian armed forces now have within their inventory supersonic jet fighters and long-range Russian submarines. I recall vividly that last year 600 Indonesian naval officers and men were given Soviet training to take over Russian-built naval vessels as a part of the then Russian $280 million aid program to Indonesia. This was at the same time that a mob of students in Indonesia had stormed the U.S. Embassy in protest against Dutch use of American airfields in transporting Dutch troops to New Guinea. The United Press International reported that the mob, approximately 100 strong, had hung on the Embassy fence a sign reading, "America must be rubbed out." The UPI at the time reported that Government officials in Indonesia had imposed limited censorship on local newspapers forbidding them to mention the number of demonstrators or the amount of damage caused. The order when issued also prevented publication of photographs of the riot or the official American Embassy statement referring to the incident.

This buildup in Indonesia is all the more disturbing in that it is possible to read a repetition of the Cuba story in the making. There is no question in my mind that a country such as Indonesia with its strategic location in the Pacific could cause a great deal of difficulty to our military forces in case of an outbreak of hostilities or, for that matter, even a stepping up of the cold war in the Pacific. The Soviet must be cognizant of these facts in that it is now the chief supplier for Indonesia's armed forces to the amount of $400 million credit for arms purchases. A year ago President Sukarno said that the arms buildup was necessary in order to prepare for any conflict with the Dutch over the West New Guinea area. Of course, we all know that under the New Frontier-type of international philosophy that the Netherlands New Guinea area that had been under the jurisdiction of the Netherlands was, in effect, ceded to Indonesia through the vehicle of the United Nations. But the buildup still continues, and indications are that Sukarno has stimulated guerrilla-type activity in British-held Borneo in order to undermine the formation of the new nation of Malaysia. Yet with the lesson of Cuba still vividly before our eyes, there is no indication that the United States through its delegation to the United Nations has asked the U.N. to look into the situation before it is too late. What would be the next move of Sukarno? Toward the Philippines on toward East New Guinea, presently under Australian jurisdiction? Will we be faced with a fait accompli in the South Pacific without raising our hands? With American lives being lost in Vietnam, with the situation in Laos slowly but surely deteriorating as a result of the coalition agreement, with new overtures on the part of Khrushchev to the Chinese, it would be well, Mr. President, for this administration to take some positive steps throughout the world to insure that the future security of our country is not further jeopardized by continuing a policy of "too little and too late."

A most interesting news article appeared in the February 20, 1963, issue of the Wall Street Journal titled "Indonesia Builds Forces With Soviet Arms Aid, Menaces Its Neighbors." I ask unanimous consent, Mr. President, that this article be included at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDONESIA BUILDS FORCES WITH SOVIET ARMS AID, MENACES ITS NEIGHBORS—SUKARNO THREATENS NEW NATION OF MALAYSIA; RUSSIA SENDS JETS, SUBMARINES, ARTILLERY—REPRESSION, ECONOMIC WOES

(By Igor Oganesoff)

TOKYO.—The island Republic of Indonesia shows signs of becoming the Cuba of Asia.

No Soviet offensive missile sites—so far as is known—have been built on Indonesian soil. But the Soviet Union has been shipping massive quantities of other armaments to the equatorial land. The Russian aid, ranging from jet fighters to submarines and cruisers, has transformed the Indonesian armed forces into the most potent military organization in southeast Asia, except for the patroling U.S. 7th Fleet.

Flexing his military muscle, Marxist-inclined President Sukarno now is putting new pressure on neighboring lands. Besides serving his expansionist aims, Mr. Sukarno's foreign ventures help divert public attention at home from economic stagnation and the repression of political freedom in the world's fifth most populous country—95 million.

UNDERMINING A NEW NATION

At the moment, the vigorous Indonesian nationalist, perhaps nudged by Moscow and Peiping, is trying to derail the formation of a new country to be known as Malaysia. The plan for the creation of this nation was worked out last year by officials of Britain and those of Malaya and Singapore, both self-governing members of the British Commonwealth. Malaysia is to be formed by merging prosperous Malaya, the overcrowded free port of Singapore and the three British colonies of North Borneo, Sarawak, and oil-rich Brunei into an anti-Communist federation. The union, which will bring together 10 million people, is supposed to take place this August.

The three British colonies lie on the northwest coast of Borneo. The rest of the island is under Indonesia rule, leaving the British possessions highly vulnerable to Mr. Sukarno's maneuvering.

Indonesian officials increasingly are warning their nation about the threat of Malaysia. Yesterday President Sukarno told some army veterans that Indonesia is "encircled by enemies." The country's armed forces chief, Gen. Abdul Haris Nasution, has said that "to the north of us neocolonialism is moving toward what has been described as an encirclement of Indonesia."

There's speculation that Indonesia helped stir up the recent abortive revolt by Brunei nationalists against the British authorities. Moreover, the official Indonesian news agency has confirmed reports that Indonesia has placed two divisions of crack volunteer troops along the border of North Borneo. Last week Indonesian Foreign Minister Subandrio promised his country would assist rebels in British Borneo, and Maj. Gen. Achmad Jani, Indonesian Army Chief of Staff, has publicly given the insurgents similar assurances.

An Indonesian newspaper which echoes official policies has suggested that Indonesian troops might enter the fight of Borneo rebels against British rule in the same way Red Chinese volunteers entered the Korean war. Another alarming development was a recent incursion into Malayan waters by an Indonesian navy gunboat; it set fire to a rubber-laden barge beached on the Malayan coast.

BRITISH BUILD UP FORCES

Britain now has sent heavy reinforcements to the Borneo area, while Malaya ordered a military buildup last week following Mr. Subandrio's promise of aid for the anti-British forces.

The fear in Asia is that President Sukarno may support the embryonic rebel movements in the British colonies on Borneo with the aim of transforming them into weak, independent states responsive to pressure from Jakarta. It's also feared that Indonesian expansionism might threaten Australian-held East New Guinea and Portuguese Timor. These territories are on islands partly ruled by Indonesia.

"There's no telling where it will all lead," says an Asian diplomat here. "President Sukarno is very ambitious."

Two recent episodes demonstrate the Indonesian leader's contempt for world opinion, for democratic practices and even for the sensibilities of his neighbors.

One was Indonesia's campaign to win sovereignty over West New Guinea, the only part of the Netherlands East Indies not released when Indonesia was formed out of the former Dutch territories after World War II. President Sukarno steadfastly rejected the idea of self-determination for the backward Papuan inhabitants, as well as the concept of a United Nations trusteeship, which had considerable backing abroad.

While negotiations with the Netherlands over West New Guinea were in progress last year, Mr. Sukarno decided to apply military pressure. As Western experts debated the relative strengths of an Indonesian invasion fleet and Dutch defenses in New Guinea, Mr. Sukarno began dropping in guerrilla troops by parachute. He decided that an invasion was both unnecessary and perilous, though he continued to threaten the use of all-out force.

The result of these tactics is that West New Guinea officially will pass under Indonesian rule in May. Jakarta officials actually have been in control since a Dutch-Indonesian accord was reached last summer. The agreement called for a plebiscite in 1969 to decide the island's ultimate political future. But some months ago President Sukarno made it clear he will not allow such a vote to upset his control, and no other nation has seriously questioned his position yet.

Less significant, but also a clue to Indonesia's current temper, was the Asian games affair last summer. Officially recognized by the International Amateur Athletic Association, this regular event normally includes Nationalist China and Israel as contenders. But President Sukarno's close ties with Red China resulted in his regime's refusal to admit Nationalist Chinese athletes to Indonesia when the games were held there last year. Israel was barred because Mr. Sukarno is wooing the Moslem Arabs.

When a prominent Indian athletic official openly protested this intrusion of politics into sports, the Indian embassy in Djakarta was sacked by a mob of rioters led by soldiers and government sound trucks. Japanese sports circles started vigorous protests, which subsided after President Sukarno broadly hinted he might choke off Japan's $100 million annual exports to Indonesia.

All these developments took place against a background of tightening Government control over Indonesia's citizens. Over the past 2 years, Mr. Sukarno has outlawed political parties, though the 2-million-member Communist Party of Indonesia retains its organization. Indonesia's press operates under stringent Government controls.

An array of economic regulations, coupled with President Sukarno's deep-seated suspicion of private business, has helped stifle economic activity. This sluggishness in the nation's economy, whose mainstays are oil, rubber, and copra, has resulted in repeated devaluation of the Indonesian rupiah, both officially and on the black market.

ARMS FROM THE UNITED STATES

About the only real progress of late in Indonesia is military. Indonesia has bought quantities of small arms and other equipment from the United States, much of it from private arms exporters, and Washington has brought Indonesian officers to the United States for advanced training. "Equipping and training the military to improve its ability to maintain internal order" is the American Government's stated reason for helping President Sukarno. It's believed, however, that the real explanation for Washington's aid is the feeling that it may strengthen the Indonesian Army as a counterbalance to the local Communists.

But Russia now is the chief supplier for Indonesia's arsenal. Early in 1961 President Sukarno accepted a Soviet offer of a $400 million credit for arms purchases. At the time, the Indonesians argued that the Soviet-assisted buildup was essential for their confrontation with the Netherlands over West New Guinea. But the settlement of this dispute did not diminish the arms flow; on the contrary, the latest reports indicate that it has increased in the last half year.

Indonesia's air force is its most potent military arm. It is equipped with a variety of Mig fighters—some 90 Mig-15's and Mig-17's, plus about a dozen supersonic Mig-19's and about the same number of long-range twin-jet Mig-21's. The air force has about 30 Soviet bombers, some with a range of up to 4,500 miles. Under the air force, too, is a battery of Russian ground-to-air guided missiles, manned by Indonesians.

The Indonesian Navy is said to have 250 ships. These include two Soviet cruisers and some 20 long-range Russian submarines. Some reports suggest that two Russian frigates handed over to Indonesia are armed with ship-to-ship missiles. Enough Russian helicopters to form an antisubmarine squadron are on the way.

The ground forces boast 250,000 men who comprise a fighting force of 130 battalions. They are skilled in guerrilla and paratroop operations. Soviet aid has had least impact on the army though Moscow has shipped some automatic weapons and a battery of 105-millimeter howitzers.

AMENDMENT OF STANDING RULES OF THE SENATE RELATING TO STANDING COMMITTEES

The PRESIDING OFFICER. The Chair lays before the Senate a resolution coming over from the previous day, which will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 90) amending rule XXV of the Standing Rules of the Senate relating to standing committees.

The Senate proceeded to consider the resolution (S. Res. 90) amending rule XXV of the Standing Rules of the Senate relating to standing committees.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is Senate Resolution 90.

Mr. MANSFIELD. Mr. President, I ask that certain modifications be incorporated in Senate Resolution 90, which is now before the Senate.

The PRESIDING OFFICER. The clerk will state the modifications.

The LEGISLATIVE CLERK. On page 16, line 14, after the word "Office", to strike out "Building" and insert "Buildings".

On page 16, line 20, after the word "Office", to strike out "Building" and insert "Buildings".

On page 17, line 24, after the word "standing", to strike "committees", and insert "committees, as well as any Senator who is appointed temporarily to fill any vacancy arising out of this proviso:".

The PRESIDING OFFICER. The Senator has the right to modify the resolution. The resolution is so modified.

Mr. MANSFIELD. Mr. President, with the concurrence of the Senate I should like to suggest the absence of a quorum, and at the same time reserve my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, we began a rules debate on the 15th of January. We ended it on the 7th of February. Extended speeches were made; charges and countercharges flew thick and fast; but at the end of many hours of debate and several votes, the rules remained the same.

During the rules debate, committee vacancies were not filled. The nine new Democrats in the Senate, and the three new Republicans were not given committee assignments and have still not been given their assignments. Along with the rest of us, these new Senators were sent here by constituencies who expected them to begin the performance of their duties at once, with all the appurtenances and powers of their high office.

Because they have not been assigned to committees, and because the attention of the Senate has been on the rules fight, the older Members quite properly have not been authorized to conduct legislative business during the sessions of the Senate. Under the Constitution we are all equal here—one Senator, one voice, one vote—and a new Member's vote, voice, and participation in committee or on the floor are no less important than a carryover's.

It is all very well for Senators to immerse themselves in the problems of household management—for that is all that the rules fight, in the last analysis, adds up to. But I think it is about time someone reminded the Senate of its higher responsibilities under the U.S. Constitution. Article I, section 8, of the Constitution empowers Congress to act in a number of areas: to lay and collect taxes, to regulate commerce, to raise and support armies, to provide for the common defense and general welfare of the United States.

It has always been my understanding that these grants of power, and those contained in subsequent amendments to the Constitution, created obligations and responsibilities on the part of Congress. They are not merely permissive; they are positive obligations and responsibilities.

The States do not single out men and women to come to the Senate solely as a reward for past services rendered, or merely as a measure of respect; the people of the United States do not pay taxes to support a debating society that meets only to pursue arguments about its own composition and rules.

The powers granted by article I of the Constitution are to be exercised. The Members of Congress are to exercise them. The legislative branch of Government is meant to originate and act upon measures that respond to the country's needs. In my opinion it is time that the Senate of the 88th Congress began to carry out these constitutional responsibilities.

Senators who are concerned about modernizing the Senate in order that it may meet the demands of the 1960's—and I am one of those Senators—and those who would give to the rules a sacrosanctity which borders on idolatry, must recognize that in 6 weeks we have not taken one major legislative step toward meeting our higher constitutional responsibilities, either in committee or on the floor.

If we are to do what we have been sent to Washington to do; if we are to fulfill our responsibilities under the Constitution; if we are to operate the legislative branch in a way that will do honor to the institution itself and preserve its vitality we must get to work at once and, particularly, in committee. The President has asked us to act very promptly to reduce taxes, in order that a sluggish economy may be invigorated and the burdens of financing the Government may be more equitably and sensibly distributed. He has asked us to enact a major education program for secondary schools and colleges in order that our young people may have equal educational opportunity and the Nation may profit from the full training of talented young people. He has asked for Federal assistance in meeting mental illness and retardation, which in terms of its toll in human suffering and national loss and cost is now our number one health problem. He has called for a mass transit program for our cities and towns in order that we may not strangle ourselves in the coils of the vast urbanization and suburbanization into which our industrial progress is driving us. He has sent us a large-scale program for helping our youth find useful lives, in order that the transition from generation to generation may continue without the alienation of large segments of the people from the main house of the Nation. He has urged us to consider the medicare question again in order that in our care for the aged sick we may at least begin to approach the consideration and concern which is shown in Canada and in the nations of Western Europe and in most advanced nations throughout the world with far less affluence than ours.

These are major national issues, Mr. President. On their outcome hinges not only our national well-being, but also much of our capacity to safeguard the peace of the people of the United States in a dangerous world. The issues cannot be met by fiat, or by messages from the White House, no matter how convincing and eloquent. They cannot be resolved at the whim of the majority leader of the Senate or the Speaker of the House. Under our system they can become law only through the action of Congress. That takes work and negotiation and accommodation and more work. It takes work in the first instance in committee, by chairmen and members of committees. It takes the willingness of the Members of Congress to do what they are elected to do in committee and on the floor, despite pressures to be elsewhere or to put off the hard decisions.

As a Senator from Montana and as majority leader, my functions and interests are primarily and preponderantly in the Senate. I am a Senate man. But I hope that I have not grown mossbacked in that role. I hope that I have not lost sight of the national forest for the Senate trees. I hope that I have a degree of appreciation of the responsibilities which rest with the President—any President. I hope and would expect that all Senators share that appreciation. Beyond that, it seems to me that the Senate and Congress owe to the Nation a responsibility to give earnest consideration to proposals which the President advances. Of course, we may vote his major proposals up or down or modify them. We have the responsibility for independent judgment in these matters. But it is a discourtesy, to say the least, and a dereliction of responsibility, at worst, to fail to give the President's proposals full and fair consideration. And to fall back on the rules to justify such a course is to evade the higher constitutional responsibility of this body. Furthermore, when the President has singled out measures in his program which are of special urgency and of key importance, then common sense, if nothing else, dictates that these measures should be given urgent and careful treatment through the processes of the Senate and Congress. Again, I say it does not follow that we must approve or disapprove any measure, but it most certainly follows that we should consider measures seriously, and each House as a whole should act one way or another.

The responsibility to provide the President with a modicum of courtesy and cooperation in matters of national importance rests on all Senators, but it rests most heavily on the members of his own party—the Democrats in this body—whether they are from the North, South, East, or West.

I accept my full share of responsibility, Mr. President, for permitting this first 6 weeks to pass without a mark being made on the statute or rules books. It is time to put aside the Senate wrangling and get on with the national business. If the Senate desires to perform its constitutional responsibilities, the way is open to it. It is the way of hard work in mutual cooperation and with individual restraint. We should take it, and I would hope we would take it now.

Mr. SALTONSTALL. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. SALTONSTALL. I commend the majority leader for the statement he has made. Whether we agree with the proposals which are presented to us by the Chief Executive, whether we agree with the reports which come from commitees, certainly it is our function to act. It should be possible for us to act promptly, but we are now being delayed because our committees have not yet been approved.

I should like to say this in addition to what the majority leader has said: Under our Constitution, Congress is one of the three branches of Government, the legislative, the executive, and the judicial. Congress has the responsibility of fulfilling the legislative duty. There is much criticism today that Congress is yielding its power to the executive, or that the judiciary is taking away some of the power of the legislative branch. We must live up to our responsibilities under the Constitution. To do that, we must legislate. To legislate, we must have our committees working and reporting bills to the floor for debate.

I agree with the majority leader. As I have told him a number of times in the last 50 days, I believe the Senate should get down to work. I will do anything I can to help bring that about. I appreciate the majority leader's statement.

Mr. MANSFIELD. I thank the Senator from Massachusetts.

Mr. AIKEN. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. AIKEN. I congratulate the majority leader upon the statement he has just made. It is fully in keeping with the character of the Senator from Montana. I also wish to congratulate the Democrat Party and the country upon having a majority leader of his caliber, because he puts the needs of the country first.

The majority leader has been trying for weeks to get the Senate on the way to accomplishing what it is supposed to do under our Constitution and our form of government. So far he has been blocked from accomplishing much of anything.

I have no sympathy whatsoever with any Member of this body who says, "If I cannot get things done just as I want them, I will render the Senate impotent, and will block its doing anything constructive for the country." I do not think that is a good attitude for any Member of this body to take, if Senators believe at all in the democratic form of government—and I believe all of them do.

The majority leader must have the support of the Members of the Senate, not only because we should support him, but also because the needs of the country, and particularly the needs of the legislative branch of the Government, demand that we do so.

The President has made many requests of the Congress. Some of them will not be granted—I hope. But I do not intend to stand in the way; I do not intend to attempt to prevent the Congress from voting on the requests the President has made, even though I intend to vote against some of them.

If this situation continues as it has for the last 6 weeks, we are bound to see a deterioration in the legislative branch of the Government, and also in our form of government itself. The country is disgusted with us; and I hope the people put the responsibility for our inaction—and for even worse than inaction—where it properly belongs.

Mr. JAVITS. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. Mr. President, I thank the Senator from Vermont. I assure him that I appreciate deeply his words.

Before I yield to the Senator from New York, I should like to say, once again, as I have previously said on a number of occasions, that what we have done has been, in effect—and considering the results achieved—to waste 6 weeks of the time of the Senate, 6 weeks of the time of the people. It is not a case of any individual Senator's being gagged. As a matter of fact, it is a case in which the Senate as a whole has been gagged.

I yield now to the Senator from New York.

Mr. JAVITS. Mr. President, I am sure the Senator from Montana will indulge me if I express a somewhat different view.

Mr. MANSFIELD. I would anticipate one.

Mr. JAVITS. After listening to the statements which have been made, I feel that I must rise and make a comment, because I am one of those who participated actively in the fight to change rule XXII. It is one of the struggles—among all those in which I have participated during my service in the Senate; and I have participated before in this fight—of which I am most proud; and I only hope I live to see the day when the Senate recognizes what is occurring in the world, and does change this rule.

It has been stated that the country is disgusted with us because we have not gotten to our work and passed proposed legislation. I should like to point out that, almost without exception, every bill to which the Senator has referred represents debris scattered over the floor of this Chamber, either because the Senate has done nothing at all with the bill or because of the fact that, after the Senate has passed the bill, the other House has refused to pass it. That goes for the bill for higher education.

Mr. MANSFIELD. By the way, that bill was passed overwhelmingly by this body.

Mr. JAVITS. That is correct. I am only referring now to the measures to which the Senator adverted a moment ago.

As I said, that goes for the bill for higher education. As to debris in the last Congress it goes for the mass transportation bill, the youth employment and Civilian Conservation Corps measures, and the medicare bill, which was defeated in this Chamber—partially, I think, because the Finance Committee did not hold hearings on it; that was one of the arguments which was referred to in the debate on the bill.

I also noted with great interest—and I am perfectly willing to face the Senator from Georgia or any other Senator on this score—that the majority leader did not even mention civil-rights legislation. Yet today I have on my desk one of the most horrible reports on injustice in this country—a report from the Advisory Committee appointed by the U.S. Civil Rights Commission in Mississippi; and I will bring it to the floor and discuss it in great detail and put it into the RECORD. It shows that American citizens are being outraged and denied elemental justice—including denial of the right to vote—in one of the sovereign States. I think that situation is very important.

In short, I think one of the reasons why the country may very well be questioning whether we are doing our business is that our hands are tied by the rules of the Senate, which on occasion completely frustrate our efforts.

It seems to me that we have spent a decent amount of time in the effort to do something about these procedures, which in many cases have prevented us from dealing effectively with the very legislation to which the distinguished majority leader has referred.

I think every Senator who has participated in that fight is just as patriotic, just as anxious to get on with the public business, just as devoted to getting things in the country done, as every Senator who has agreed today with the majority leader's statement that we have wasted 6 weeks of time.

I do not think we have wasted a minute, and I do not think we are wasting a minute now. I think this rules fight is critically important to the Nation and to the capability of the Senate to conduct its business. I believe it would be demeaning to those of us who participated with deep devotion in that fight to sit by and, without comment by us, let such statements be made and let them ride. I have not expended my efforts and my time on a struggle which I think was a waste of the time of the Senate; and I cannot remain silent when such statements are made.

Mr. MANSFIELD. Mr. President——

Mr. JAVITS. May I finish?

Mr. MANSFIELD. Very well.

Mr. JAVITS. I understand the feeling of the majority leader.

Mr. MANSFIELD. First, Mr. President, I wish to say that I most emphatically disagree with the Senator from New York. I think that to a degree we have demeaned ourselves. I think we have wasted the time of the people and the time of the country; and I think it is about time that we get down to business.

Mr. JAVITS. I would point out that 54 of the 100 Senators tried to get down to business by closing the debate on the rule XXII change; but the very rule prevented the will of the majority of the Senate from prevailing. The majority felt it was ready to vote on a change in the rule, but was prevented from voting by the minority, under this very rule. That was a constitutional majority, not just a majority of the Senators present and voting.

Mr. MANSFIELD. Mr. President, let me differ again with the Senator from New York. Under the rules of the Senate, that vote was taken. It is true that a constitutional majority voted for the imposition of cloture. But we were operating under the rules of the Senate; and on two occasions it was stated clearly by the majority leader that if 60 "yea" votes on cloture were not achieved, a motion to adjourn would be made. On the day previous to the day when the final vote was taken, the Senator from New York recognized that fact; and I can quote word for word his statement in which he agreed with what the majority leader had said about the course of action to be followed.

However, I would not go back to that now; that situation has now passed, although no doubt it will come up again.

The point now is that there are 12 new Senators who must be assigned to committees. Thus far in the session, no legislative business has been undertaken by any of the committees. We are spending our time on the floor—doing what? Wasting our time. That is what we are doing. But we cannot get down to the business for which this body was created—the business of the Nation.

Mr. JAVITS. Mr. President, will the Senator from Montana yield again to me?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I did not intend to rehash the constitutional point or the im-

broglios which surrounded it, and I do not think that by anything I said I did rehash it. I only said 54 Senators voted to close the debate. That fact is irrefutable. They were prevented from closing it by the votes of the other Senators. Those 54 Senators thought the rule fight was worth while. They were ready to vote, and they wanted to get on with the business of the country.

I am inclined to agree with the majority leader that the time has come now—now or Monday or Tuesday, within the proximate present—to end the rule struggle and to do what we can under the rules.

Mr. MANSFIELD. Monday or Tuesday? Another week wasted?

Mr. JAVITS. Mr. President, I do not control a single one of these things. I am not the Senator who is moving this particular thing in any way.

Mr. MANSFIELD. But the Senator from New York did say "Monday or Tuesday."

Mr. JAVITS. I say I have no idea when this will be concluded. I am only giving my idea of the time elements involved.

I feel now that currently—let us not indicate any particular days—we have consummated the action to be taken in struggling about the rule. But I wish to state clearly that I do not think this has been a waste of time. It has been unsuccessful; but it has not been a waste of time, because I feel that eventually the rule will be changed—and this is the important and vital point, in my view—because of the fights which have been made at this session and at other sessions.

I point out that I cannot fail to reply to the statement that we have wasted 6 weeks' time. The Senator from Montana disagrees thoroughly with me. That is all right; but I cannot let his words go out to the country without expressing the contrary point of view—a point of view held by those, including myself, who feel just as sincerely and just as deeply as does the Senator from Montana.

Mr. MANSFIELD. Mr. President, the Senator always has a way of expressing his point of view and a way of getting it across. The Senator always makes known to his fellow Senators where he stands on issues. I honor him for it.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. RUSSELL. For some reason the Senator from New York has brought me into the discussion. I just walked into the Chamber, having come from a meeting of the Armed Services Committee. I am somewhat handicapped in participating in the debate because I am not familiar with the subject and all that has gone before. The Senator from New York [Mr. JAVITS] looked at me when he made reference to some measure in which he was interested. He further said that 54 Senators had voted to close debate, indicating that number were prepared to vote to change the Senate rule on cloture. I challenge that statement. I know of one Senator who voted for cloture—and I think there were four others who were prepared to vote against a change in the rules—but who voted to invoke cloture in order to end the educational campaign on which we had worked so assiduously.

I also noted the statement of the Senator from New York about some shameful condition in some States that had denied American citizens the right to vote. I should like to ask the Senator from New York whether the State of New York has changed the law which debars hundreds of thousands of Puerto Ricans who are citizens of the United States from the right to vote in that State.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. Every Puerto Rican in New York can vote if he qualifies in the reading and writing of the English language. To finish my statement, I have actually joined in submitting testimony on the literacy test bill which was before the Senate during the last session. That bill would have opened the door to Puerto Ricans in New York who could not qualify in the English language. If they qualify, they can vote now. I was an ardent advocate of that bill, and, as I recall, the Senator from Georgia was one of its ardent opponents, and, with all respect, I think he was one of the architects who brought about its defeat or frustration here.

Mr. RUSSELL. Mr. President, of course, there is a difference in philosophy between the Senator from New York and the Senator from Georgia. I believe voting qualifications is a question which should be controlled in the several States. It is very easy to dwell on an alleged blot on the escutcheon of some other State when there is one much larger and blacker blot on the shield of the State of the Senator.

I point out that once a Senator from my State resigned from the U.S. Senate and returned to the State of Georgia in order to become a candidate for the general assembly, as we call our legislature, so that he might change a condition which he thought was a reflection on his State.

So action in the Senate is not necessary. The Senator from New York has shown to all the world—beyond peradventure and to the great distress, as I understand, to the Governor of New York—that he is the greatest votegetter who has lived in the State of New York for a long time. I would have thought that he might in some way have contributed to removing that blot from the escutcheon of the great Commonwealth of New York before pointing to other States.

While my own State is condemned roundly by the Senator from New York and others for our voting laws, in my opinion we apply them as justly and fairly as the laws are applied in New York or anywhere else. I would gladly match the honesty with which votes are counted in Georgia with the counting in New York and a number of other States whose Senators are at times highly critical of the State of Georgia. We have our restrictions on voting. The State of New York has certain restrictions. I do not complain of them. Even if I disapproved of them I would defend to the last the right of the State of New York to have any restriction that is not specifically prohibited by some provision of the U.S. Constitution. And it would have to be rather drastic, in my opinion, to violate the express power confirmed to the States to define the qualifications of voters.

It is easy to make statements and charges about people away from one's own home. Of course, there is nothing new about that. In Holy Writ we find mention of a man who pointed out the mote in the eye of his adversary while disregarding the beam in his own eye.

Mr. JAVITS. Mr. President, will the Senator from Montana yield so that I may reply to the Senator from Georgia?

Mr. MANSFIELD. I yield.

Mr. JAVITS. In the first place, the State of Georgia was not the State to which I referred. It was the State of Mississippi.

Mr. RUSSELL. The Senator mentioned my State and looked at me as he did so.

Mr. JAVITS. Let me say to the Senator——

Mr. RUSSELL. I assumed that the Senator was perhaps referring to my State. I will be glad to lay my State and the law-abiding character of the people of Georgia on the line for comparison with New York and more particularly New York City, by any fair jury that is brought from any other section of the country. I would be willing to eliminate from the jury anyone who lives below the Mason and Dixon line.

Mr. JAVITS. The Senator will not cause me to digress into the subject of Georgia at the moment. I shall not. I was only explaining to the Senator that the State I was talking about was the State of Mississippi. I have in my hands a report by a group of Mississippi citizens appointed as an advisory committee in that State by the U.S. Civil Rights Commission. I shall produce that report on the floor of the Senate. I do not hope to be able to convince the Senator from Georgia, but I think I can convince the country.

I did not mention the Senator from Georgia in a disrespectful manner. I would never do so.

Mr. RUSSELL. I had just entered the Chamber, having come from a meeting of the Committee on Armed Services, and I did not know why the Senator from New York had singled me out in connection with his statement.

Mr. JAVITS. The point was made in the process of discussion. The Senator from Georgia does not place too great a store by the need for civil rights legislation, and I do. I tried to underline the fact that I did.

Mr. RUSSELL. I believe the basic difference is that I believe the States have some prerogatives of Government. Others believe in having every problem solved by the Great White Father in Washington, and bringing all problems to the banks of the Potomac for solution by a centralized and all powerful Federal Government. I believe that philosophy is espoused by the Senator from New York.

Mr. JAVITS. The Senator from New York takes exception to that statement. The Senator from New York has fought for the right of States to conduct their own affairs; and I believe we are doing a pretty good job of it in New York.

Mr. RUSSELL. I shall be most happy to sit here and listen to the Senator from New York discourse on the rights of States.

Mr. JAVITS. I have done so.

Mr. RUSSELL. I have never heard such a speech by the Senator.

Mr. JAVITS. I hope the Senator will vote sufficient appropriations to help us do so in connection with Federal laws, too.

Mr. MANSFIELD. Mr. President, I should like to yield the floor. Before I do so, I should like to call to the attention of the Senate the fact that collectively it is master in its own House. I should like to say especially to my Democratic colleagues that we have a numerical majority in this body. We have a President of our party in the White House. In our own best interests, and in the best interests of the country, it would be well for us to try to get a little closer together, rather than to try to push one another farther apart.

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the Senator from Delaware.

Mr. WILLIAMS of Delaware. First, I wish to compliment the Senator from Montana, the majority leader, who in my opinion has been performing an excellent service in trying to get the Senate organized and moving forward.

PERSONAL STATEMENT BY SENATOR MORSE

Mr. MORSE. Mr. President, will the Senator yield so that I may make a point of personal privilege, with the understanding that the interruption will not cause the Senator from Delaware to lose his right to the floor?

Mr. WILLIAMS of Delaware. I yield with that understanding.

Mr. MORSE. I have notified the Senator from Ohio [Mr. LAUSCHE] that I intended to speak on this subject.

Yesterday in my absence from the Chamber the Senator from Ohio [Mr. LAUSCHE] made the following remarks:

> Mr. Herter appeared before the committee a few days before the longshoremen strike came to an end under the supposed agreement. It was for that reason that I asked him that question. I rise today to express my disapproval of the procedure followed and the results produced by the committee that was appointed supposedly to be a mediation board.
>
> I have implicit confidence in the integrity and veracity of the senior Senator from Oregon. However, he has predispositions and he has ideologies, and in my opinion the predisposition which he had, in spite of his truthfulness, made it impossible for him to be what one might call an impartial arbitrator.
>
> The recommended increase in the wages for the second year was 39 cents, plus. The average for the 2 years was 8.8 percent.
>
> The President of the United States in his message a few years ago made the statement that we should give, rather than take; that when wage increases are granted, they should have correspondence to increased productivity. The figure mentioned was 4 percent.
>
> What bothers me is that if the average increase in the longshoremen agreement is 8.8 percent, will that become the guideline in demands made by the workers in the shipyards, on the docks of the inland lakes, and on the ships sailing under the U.S. flag on the high seas?

Later the Senator from Ohio said—and it is pertinent to my raising a point of personal privilege:

> Frankly, I believe that the pattern which was set in the settlement of the longshoremen's strike will create difficulties. Featherbedding continues. One of the principal issues in the dispute was featherbedding. Nothing was done about it, except that a committee is to study the subject. The power of the Longshoremen's Union to paralyze the economy of the country continues. I do not recall for how many days, but the Longshoremen's Union had every ship flying the U.S. flag tied up in the ports of the Atlantic coast and the gulf coast. I suppose that if they had so desired, they could have paralyzed shipping on the Pacific coast. Ohio is in the interior. The manufacturers of Ohio began to feel the pinch.
>
> If there is to be arbitration, let us pass a law which will authorize arbitration. If there is to be arbitration, let the law be so written that there will be at least a semblance of insurance that those who are chosen to arbitrate shall have the objective ability of doing so. I now declare that I contemplate introducing a bill to require the arbitration of disputes between longshoremen and shipowners, the arbitrators to be chosen from among retired Justices of the Supreme Court of the United States and retired judges of U.S. courts of appeals and district courts.

Mr. President, I wish to reply to the Senator from Ohio. I do not have to be hit on the head with a baseball bat to get his meaning. When the Senator from Ohio attacks me he attacks my board. I challenge the Senator from Ohio to go to the party litigants in the dispute to find out whether or not they consider that they had an impartial Mediation Board; for the fact is that the Mediation Board did their bidding, as is shown by our report to the President of the United States, which is being filed today. The Mediation Board did the bidding of the parties to this dispute.

The Senator from Ohio has shown his gross ignorance of the whole mediation process. He talks about arbitration in his comments as though we were an arbitration board. We were not an arbitration board, but the Senator from Ohio apparently does not know the difference between arbitration and mediation for had he known the difference he would not have insulted the impartiality of the senior Senator from Oregon and his board members on the floor of the Senate yesterday.

The Senator from Ohio has been a noted judge in Ohio. When he refers to the "ideologies" of the Senator from Oregon and when he refers to the "predispositions" of the Senator from Oregon I take it for granted that he recognizes what most people know, that the Senator from Oregon is a constitutional liberal. The Senator from Ohio sat on the bench of Ohio as an ultraconservative. I know of no one who would question the fact that the Senator from Ohio is recognized as highly conservative. But he was an able judge; as able as any judge who takes on the robes to decide a case before him on the basis of the evidence before him, applying the preponderance of evidence test to that evidence.

I take pride in having served as an arbitrator, and having presided over arbitration courtrooms, involving several hundred cases.

The Senator from Ohio cannot produce a single litigant who ever appeared before the senior Senator from Oregon, even though that litigant in an individual case might have lost the case, who will not testify that the Senator from Oregon functioned as an impartial arbitrator on the basis of the evidence that was submitted to him.

Therefore, I do not intend to permit this slur by the Senator from Ohio to remain in this RECORD without an answer from the Senator from Oregon not only in his own behalf but also in behalf of his two colleagues on the mediation board, appointed by the President of the United States, whose impartiality I feel is simply beyond question. The parties to the mediation can be the witnesses to so testify.

Of course, as is true in every litigation, the parties do not like every recommendation of the board of mediation—or, if it is arbitration, every decision of a board of arbitration on every issue—but they know that in mediation, the obligation of the board is to lead the parties to a conscionable compromise of their differences.

This was done at the request of the parties to the dispute. The board tried for 4 days to persuade the parties to settle the dispute between themselves, and to negotiate a collective-bargaining agreement between themselves. They simply refused. They explained to the board, "There is no hope. We cannot possibly get together."

It was then that the parties to the dispute agreed that the board of mediation should lead them to a settlement by offering them a final offer. This would not be a settlement on the merits of each issue in accordance with the evidence that could have been presented in arbitration, because we were not in the judicial atmosphere of an arbitration courtroom. We were in the compromising climate of mediation, for that is what mediation is.

The parties were free to reject the proposal of the mediation board. They considered it, and they decided it was in their best interest and in the national interest to go along with the proposal of the mediation board.

The Senator from Ohio is factually incorrect in respect to several statements he made in his speech in regard to what the Mediation Board offer was. He stated:

> The recommended increase in the wages for the second year was 39 cents, plus.

That is not so. The settlement of the Board was a 37-cent package, not a 39-cent one. The wage proposals provided a 15-cent increase the first year and a 9-cent increase the second year, or 24 cents. The fringe proposals would add

8½ cents the first year, 4½ cents the second, or 13 cents. The Senator talked about an 8.8 percent average for 2 years. That simply is not so.

I ask unanimous consent to have printed a table showing the percentage increase of both the wage increase and the entire package.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

North Atlantic longshore mediation proposal

Increase in wages:	Percent
1st year [1]	4.97
2d year [2]	2.84
Average	3.9
Increase in total labor cost (wages adjusted for overtime and fringes):	
1st year	6.26
2d year	3.37
Average	4.8

[1] Increase effective Oct. 1, 1962.
[2] Increase effective Oct. 1, 1963.

Mr. MORSE. Mr. President, the Senator from Ohio cannot take two and two and make five, no matter how hard he tries, for the law of mathematics is against him; the law of mathematics is against him in regard to his evaluation of the mathematics of the Board's offer to the parties, which the parties made their program and accepted as a fair settlement of the dispute.

MACHINERY FOR FEATHERBED ISSUE

The Senator from Ohio talks about featherbedding and seeks to leave the impression that the Mediation Board made no offer to the parties and that the parties accepted a settlement which would have nothing to do about the featherbedding issue.

The Senator from Ohio stated:

> Frankly, I believe that the pattern which was set in the settlement of the longshoremen's strike will create difficulties. Featherbedding continues. One of the principal issues in the dispute was featherbedding. Nothing was done about it, except that a committee is to study the subject.

The Senator from Ohio has not read the settlement, for much more than a study was provided in the settlement by the Board. If the Senator will talk with some of his shipowner friends, he will learn that they consider the procedure we set up to be worth millions of dollars.

The president of the Shipowners' Association sat down with me in the Senate luncheon room the other day, along with the chairman of the shipowners' negotiating committee, and both expressed great gratification over the procedure which we established for an attack on the featherbedding problem on the docks of the east coast. Under the procedure we established, for the first time in the history of shipping on the east coast a shipowner will have a tribunal before which he can go to establish proof of featherbedding.

The parties recognized before they entered into this agreement that no Board of Mediation could, in 5 days, even begin to scratch the surface of a job analysis program on the east coast. If the Senator from Ohio had only stopped to reflect on what is involved in a manpower utilization program in an industry as complex as the longshore industry, he would not have left this criticism of the Board in the history books through the CONGRESSIONAL RECORD. What did we do? We provided that the Secretary of Labor will bring to bear on the problem all the facilities of the Department of Labor to analyze the question of manpower utilization and job security on the east and gulf coasts and give to the parties an analysis of the job utilization study and make recommendations.

Let me make clear that the Secretary of Labor has the full authority to make the decision as to what that study will encompass. There was an attempt on the part of the head of the union negotiating committee to permit the union to direct the Secretary of Labor as to what jobs would be studied and what would not be studied, as to what manpower operations would be encompassed in the Secretary of Labor's study, and what would not.

If the Senator from Ohio thinks the employers got nothing within the study proposals of the board, he ought to talk to the shipowners, because when the board rejected the union's particular proposal and told the union the Secretary of Labor would have authority to make a complete study of the facets of the job utilization problem, the employers won a great victory; they will tell the Senator from Ohio so if he will talk to them.

We set up an advisory council whereby the shipowners and the union can offer the Secretary of Labor their advice; but the Secretary of Labor is in no way bound by the position taken by the advisory council as to the facets of the job utilization problem that can be studied.

Next, with regard to a point of which the Senator from Ohio is obviously unaware, I took from the Railway Labor Act of 1926 the whole emergency procedure of that act. We do not call the board, called for under our settlement, an emergency board. We call it a neutral board. But under the procedure as set up when the Secretary of Labor makes his recommendations, the parties are to negotiate a settlement based on those recommendations. If they have not done so 2 months before the expiration of the contract, then the parties can present to the neutral board their evidence with regard to featherbedding, or, as I call it, make-work program.

Persons have heard me say before that in 1938 I wrote the first decision on the make-work question in the history of the maritime industry in this country, when I wrote the decision in the Puget Sound case. Not a ship had been moving in Puget Sound for days because the longshoremen insisted that lumber trucks would have to be loaded to the floor, rolled by hand-truck to the side of the ship, and then loaded, not into sling, but onto the deck, and then into the hold.

My decision is the authority on the subject that any make-work arrangement would not be in the long-time interests of labor, management, or the public. I ruled that the trucks not only could be driven to the side of the ship, but, where convenient, lumber could be loaded directly into sling, and not to the deck at all, and into the ship.

I cite that because it is typical of the long list of impartial decisions the senior Senator from Oregon has rendered through his professional career.

Therefore, the Senator from Oregon rightly resents the attack made on the floor of the Senate yesterday by the Senator from Ohio, in talking about the predisposition and the ideology of the Senator from Oregon, when he knows that the Senator from Oregon, when he puts on the robes, can be just as judicial and impartial in rendering a decision, on the basis of the evidence presented to him, as was the Senator from Ohio when he presided nobly in the courts of the State of Ohio.

In the procedure we have given, for the first time they are going to have an official forum in which to present their proof in case these longshoremen are shortsighted enough not to follow the recommendations that will result from the study that was provided for. I am proud of the procedure we have set up, and I am proud of the letters I have received from shipowners since the mediation settlement, expressing their appreciation of the procedure worked out by our board for the settling of the so-called featherbedding or make-work problem on the waterfront.

When the statement was made that they had reached an agreement with the union in "make work" on the west coast, the president of Grace Lines said, "Yes; but it took 5 years, and it is not as rosy as it sounds. There are problems connected with it." They do not have on the west coast a tribunal to which they can present their facts.

I cite that fact because the speech of the Senator from Ohio of yesterday can be used by antilabor groups in this country to undermine a settlement that is in the best interest of the employers, as well as of the union, and, most important of all, in the interest of the American public.

DIFFERENCES BETWEEN ARBITRATION AND MEDIATION

A word about the difference between mediation and arbitration, because, unless the public understands this difference, it would be misled by the speech of the Senator from Ohio yesterday. There is no more similarity between arbitration and mediation than there is between high noon and bright sunshine, and midnight without a moon in the sky.

Under arbitration, the shipowners would have paid a minimum price of twice what our settlement provided. They could not possibly have gotten out of the dispute for a cent less than double 37 cents as a package. They know that. I explained it to them in great detail, prior to the understanding that was entered into that my board should lead them to a mediation by making an offer, because they recognized the two parties could not even make offers to one another. There never was a change of a cent in the offer on the part of the employers from the beginning to the end of the dispute. They started out with 22 cents; and they ended up with 22 cents.

The union started out with an offer estimated by the employers to cost 86 cents an hour for the first year and $1.031 for the second year. They never changed one-tenth of 1 cent. Yet I read in the press, the Wall Street Journal, Newsweek, and other publications, the falsification that the union was asking for 50 cents. The union never retreated from its position at the outset of our efforts. We could not get any yielding at all, as pointed out in the report to the President, to which I shall refer very shortly. With that situation, we led the parties to the mediation offer at their request, at their desire. They knew it was the only hope of getting a settlement.

But, as I said to the employers, if the proceeding were an arbitration, we could not throw a single issue out the window. If we had arbitrated, we would have had to give an official opinion on the evidence in respect to every issue in dispute.

Mr. President, do you know what we would have had to do if we were arbitrators in that kind of deadlock? We would have had to write the whole agreement for the parties.

If employers or unions or the Senator from Ohio think that that kind of arbitration is in the economic interest of the country, I respectfully say they had better study the arbitration process. Arbitration is of great value when the parties are in dispute about one, two, or three issues. However, Mr. President, if you go into arbitration—and there are some who want to go into compulsory arbitration—you are taking away from the parties, management, and labor, some very precious freedoms. You are substituting a third party and asking that third party, in effect, to tell them how they are going to run their business, and under what conditions they are going to work. That is a dangerous situation. It is a situation that attacks, in my judgment, some basic foundations of economic freedom in this Republic.

I have been heard to say, and will undoubtedly say it again, that if we get into a national emergency dispute situation affecting the security and the health of my country, we must keep both parties guessing as to the procedure that will apply to them. I will never vote for exclusive compulsory arbitration, because that does not keep anyone guessing.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MORSE. I had better check with the Senator from Delaware. I rose to a point of personal privilege, and I owe it as a matter of courtesy to the Senator from Delaware to limit myself in my remarks. The Senator from Delaware has an important speech to make on another subject. However, whatever the Senator from Delaware and the Senator from Arizona decide between themselves, is satisfactory to me.

Mr. WILLIAMS of Delaware. I will yield to the Senator from Arizona. I would like to get on with my speech.

Mr. MORSE. I will not be very much longer.

Mr. GOLDWATER. It is not often that the senior Senator from Oregon and the junior Senator from Arizona find themselves in agreement, but on this particular subject, compulsory arbitration, I am in complete agreement with the senior Senator from Oregon, with whom I serve on the Committee on Labor and Public Welfare. His remarks today should be read by every Member of the Senate. It is a very easy thing to suggest compulsory arbitration. I agree with the Senator from Oregon that if this is forced upon the American people, it can mean price control, wage control, quality control, and even place of employment control. We owe it to labor and management to see to it that we do not hastily adopt something which we would regret. I am happy that the senior Senator from Oregon has expressed himself on the floor as he has today, because what he has said has been needed to be said. It has been needed to be said for some time, in order, at least, to cool off some hotheads, who will suggest anything that will end a strike. Let us remember that the strike is the only weapon the working man has. When you say "arbitrate," you take away that right.

Mr. MORSE. Mr. President, I appreciate what the Senator from Arizona has said. I have been charged with advocating compulsory arbitration, because I have introduced in the past, and undoubtedly will hereafter introduce, some amendment to the Taft-Hartley law, in respect to its emergency dispute section. I said in 1947 that it would not work. It has not worked. Whenever I refer to arbitration in my draft of an emergency dispute bill, I do so in the alternative, and its use rests with the discretion of the President of the United States, subject to congressional review within 10 days. It keeps the parties in doubt as to whether the President is going to say that the national interests in the dispute are so great and such damage is being done to the country that they must agree to submit to arbitration. He has the alternative, for example, of a seizure of the plant, under a token seizure, with the operators of the plant being kept behind their desks, and the flag of the United States flying over the plant; and a series of other alternatives.

To get back to the point I was making, if these parties had been before an arbitration board instead of a mediation board, they would have paid at least double what the settlement amounted to.

Why? Because we threw more than 60 union issues out the window. We simply said, "You are guilty of laches." We said, "You know that no board of mediation could handle these issues in 4 days. You knew that. If you haven't got a settlement on these issues, we are not going to touch them."

Let me mention a few very quickly.

It has been said that the 8-hour day guarantee demanded by the union would have cost employers 32 cents an hour alone. That is one issue. Those issues that the union raised, which we threw out the window, would have added up to well over $2 additional an hour. I do not know what a board of arbitration would have granted, but they would have granted a great deal. I do not know what hours they would have granted. It would not have been zero. My own intuition tells me that it might have been 6 hours.

However, we said, "Too late. We cannot possibly go into the economics of this matter." One money issue after another money issue was eliminated. We eliminated another issue. We threw the $3.02 an hour issue out the window. Shipowners, magazines, and newspaper editors, and various propagandists in the country have fed to the American people the argument that the longshoremen on the east coast are well paid because they get $3.02 an hour.

When the shipowners used that argument, I said, "Gentlemen, that is out the window. You know it is an irrelevant argument. You know it has nothing to do with this case. You know that you have succeeded in misleading the American people in regard to the economic status of the men in this union. You know that the only wage figure that is vital to this Board is the take-home money. Do you know how many children these longshoremen have? Do you know the average size of the family of a longshoreman? These are the men whom you have called ruffians and hoodlums, and the rough element. The remarkable thing is that they are remarkable family men. The evidence given to me indicates that they average around three kids per family."

I said to these shipowners, "We must remember that these children are marching through this case all the time. They are entitled to dental care, to health care, to nutritious food, and to educational advantages. They are the schoolmates of your children and of my grandchildren. They are the future of America. The American people have a right to take a look at the take-home pay." I said, "If you want to talk to me about an annual wage guarantee to these longshoremen, we can cut the package way down."

They knew what I was talking about. Several of the shipowners, presidents of shiplines, said to me later, "Senator, there is no answer to that argument." They never had thought of it that way.

Almost 25 percent of the longshoremen in the New York Harbor earn less than $3,000 a year. I said to the shipowners, "How would you like to raise a family of three kids in New York on less than $3,000 a year?"

Thousands more of them get less than $4,000 a year. What has happened is that the propagandists have referred to a few so-called preferred gangs, pet gangs, gangs that the employers have used over and over again, but who represent a very small percentage of the total longshoremen involved. They have pointed to them as getting $9,000 a year. They are a very small number. It is so small that it is almost a fraud to cite their wages. What this mediation Board was dealing with was hard, cold economic facts, and great human values. What does $3.02 an hour mean to men who are working only 2, 3, 4 days a week, or not at all?

Mr. President, we held both parties to a consideration of those human values. We said that the wage settlement must

be far less than what the union was demanding, but that the union deserved considerably more than the employers were willing to offer. Therefore, we had a package of 37 cents. So there is no question that our settlement was within the high principles of mediation.

I think it is most unfortunate—leaving myself out of the picture—that there should be this reflection in the CONGRESSIONAL RECORD upon the great dedicated public service of this Board.

The President of the United States receives today the final report of the Board. I wish to read a few paragraphs of it; then I shall close.

Mr. President, I ask unanimous consent that the entire report, with appendixes, be printed at this point in the RECORD.

There being no objection, the report and appendixes were ordered to be printed in the RECORD, as follows:

REPORT TO THE PRESIDENT ON THE LABOR DISPUTE INVOLVING THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION AND THE MARITIME INDUSTRY ON THE ATLANTIC AND GULF COASTS BY SPECIAL BOARD APPOINTED JANUARY 16, 1963

(By James J. Healy, Theodore W. Kheel, Wayne Morse, Chairman)

WASHINGTON, D.C.
February 20, 1963.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: On January 16, 1962, you appointed the undersigned special Board to investigate and review a shutdown of all Atlantic and gulf coast ports resulting from a strike by the International Longshoremen's Association, to assist the parties by mediation or recommendation, and, if unable to secure agreement, to recommend a procedure which would insure the immediate resumption of operations at these ports.

We are pleased to report that the strike has ended and that ships are again moving in our Atlantic and gulf coast ports.

A report of our activities is transmitted herewith.

Respectfully,

JAMES J. HEALY,
THEODORE W. KHEEL,
WAYNE MORSE, *Chairman.*

I. INTRODUCTION

Any report of our activities must necessarily start with a brief résumé of the efforts to resolve this dispute which preceded our own, for without these efforts and the foundations thus produced this Board could not have succeeded.

For months preceding the October 1, 1962, expiration date of the existing ILA contracts, the Federal Mediation and Conciliation Service maintained continuous liaison and attempted to bring the parties to an early agreement.

The bargaining positions of the parties were established in a series of negotiating sessions between June 13, 1962, and August 1, 1962, involving the ILA Atlantic wage-scale committee and the New York Shipping Association. Traditionally, these negotiations in New York on the master contract, while not binding in the South Atlantic or gulf coast districts, have set the pattern for settlements there.

By late September, the parties had been unable to resolve the issues presented by the NYSA's demands for "unilateral authority to determine the number of longshoremen needed * * * without any fixed minimum gang sizes as had previously existed," and the ILA's various money and nonmoney demands. Although the NYSA made a monetary offer of 9 cents per hour for each year of a 3-year contract, no meaningful negotiations took place on this or any other issue because of the union's refusal to make any counterproposals or to consider any other issue until the employers withdrew entirely their proposals for reduced gangs and for freer utilization of employees' services.

A September 24, 1962, FMCS proposal for a 1-year contract extension, with no changes except with respect to wage and fringe items, to be accompanied by a joint study of the disputed manpower utilization and job security issues was rejected by both parties and the union struck at 12:01 a.m., October 1, 1962.

A Board of Inquiry composed of Robben W. Fleming, chairman, Vernon H. Jensen, and Robert L. Stutz was appointed the same day to inquire into the issues and to report to the President by October 4, 1962. Upon receipt of the Board's report, which concluded that "the parties have not engaged in productive bargaining over the subjects which separated them," the President directed the Attorney General to seek an injunction against the strike. A temporary restraining order was issued October 4 and a permanent injunction on October 10. Normal port operations were resumed on Monday, October 8.

The Board of Inquiry terminated its mediation efforts after the parties rejected its proposal for a joint study with an impartial chairman of "the use and security of manpower." Its December 3 report found that "the current positions of the parties are not substantially different from what they have been during the past 6 months."

On December 14, representatives of the parties met in Washington with the Secretary of Labor at his request. Intensive day and night sessions, beginning December 17, were conducted in New York by the Secretary of Labor and the Director of the FMCS, culminating on December 19 with a recommendation that the parties conclude a 1-year contract with all manpower utilization and job security issues to be referred to a tripartite committee. After an initial rejection, the NYSA accepted this recom nendation which was, however, rejected by the union.

On December 22, less than 24 hours before the strike deadline, the union proposed a 2-year postponement of any changes in gang-size or manpower utilization provisions, during which these matters would be studied. This proposal was coupled with 30 or 40 of the union's original demands and was rejected by the employers.

When no agreement had been reached as of the early hours of December 23, and with a strike scheduled to begin at 5 p.m. on that day, the President advised the parties by telegram, and through the Secretary of Labor, that "the national welfare demands that every possible effort be made to prevent the shutdown" and that a strike "would choke the economy and cut the Nation's lifelines with the rest of the world." In his telegram, the President requested the ILA and the New York Shipping Association to agree to procedures which would provide that all disputed manpower utilization, job security, and related issues be referred to a study under the direction of the Secretary of Labor; that all other disputed contract issues be presented to a board composed of Judge Harold R. Medina, Emmanuel Stein, and James Hill, for inquiry and recommendations on or before February 15, 1963; and that operations be continued on present terms and conditions for a period of 90 days. This proposal was accepted by the employers but rejected by the union.

Within hours, the union went on strike.

The parties were reconvened in mediation sessions on December 26 and mediation continued virtually without interruption under the direction of the Secretary of Labor, Assistant Secretary of Labor James J. Reynolds, and FMCS Deputy Director Robert Moore. This mediation resulted in a narrowing of issues and produced a partial measure of tentative agreement. An understanding was reached that if other issues could be satisfactorily resolved a 2-year contract would be signed with the manpower and job security issues held in abeyance during that period and referred to the Secretary of Labor for study and report to the parties.

Remaining in dispute was a group of "money issues" involving wage rates, pensions, welfare, contribution to clinics, vacations, holidays, guaranteed 8-hour workday, and the no-cancellation clause, although a host of "nonmoney" demands were also pressed by the union.

Prior to the formation of this Board, the employer had computed that the union demand would cost 86 cents for the first year and $1.031 for the second year of the contract.[1] The costs of the demands with respect to pensions, health and welfare, and clinics had, with the aid of Professor Healy, been determined to the mutual satisfaction of the parties. The NYSA had offered 22 cents (12 cents the first year, 10 cents the second) an hour for wages, pensions, welfare and clinics, conditioned on the withdrawal of the other remaining union demands.

II. THE SPECIAL BOARD

The special Board was appointed January 16, 1963, and convened in New York the next morning. Early in the day the Board met first with the 18-man bargaining committee for the NYSA and then with the full 125-man union bargaining committee in order to ascertain the positions of the parties.

The Board confirmed the existence of the conditional agreement to submit the manpower utilization and job security issues to the Secretary of Labor for study by the Department of Labor. The NYSA reaffirmed its offer of 22 cents and indicated its willingness to bargain from that figure if concessions were forthcoming from the union. The union, on the other hand, insisted that its demands were reasonable and that they be met in full.

Throughout Thursday, Friday, Saturday, and Sunday morning, the Board, both as a Board and individually, met repeatedly with both full committees, with the leaders of both committees, with union and employer representatives from the South Atlantic and gulf ports and the respective FMCS mediators, and with various ILA craft leaders from the Port of New York. The Board was thus fully apprised not only of the problems in connection with the negotiation of a new master contract but also of the local issues in New York and the underlying issues in the southern ports.

In each encounter the Board attempted to ferret out the "true" positions of the parties and to impress upon the parties the advantage of a bargained agreement and the need to arrive at a conscionable compromise. Each union demand was scrutinized to determine if the benefits desired could be purchased more cheaply than had been estimated. Out of this probing came an agreement to select a qualified authority or authorities in the health and welfare area to study the existing medical care program in order to determine if benefits could be increased or costs reduced.

These meetings failed, however, to produce any shift in the parties' basic positions. The union demands remained at the employer-estimated $1.031, the employers' offer at 22 cents. The union was adamant in its determination to secure its entire package; the employers refused to indicate the amount of "give" in their position.

Although it was clear that both parties would need to make concessions if Atlantic and gulf coast shipping were to resume and although it was clear that at some point,

[1] The employers' breakdown of the union demands is contained in app. I.

in some manner, such shipping would resume, neither party would formally or informally alter its position. The NYSA, though indicating that it had not made its last offer, stated that it refused to be "inched up" any higher unless there were substantial union concessions. The union, indicating that it had already pared considerably its original demands, stated that it considered its demands to be "reasonable" in light of other agreements which had been reached in the maritime industry and in the Greater New York area.

Since neither party would, or felt that it could, initiate a move to close the existing gap, the stalemate could be broken only by an outside proposal. Late Saturday, therefore, after all efforts to induce the parties to modify their positions had failed, the Board indicated its intention to make a mediators' proposal on Sunday. Both parties, recognizing the dilemma posed by the existing deadlock, encouraged this procedure. Indeed, in discussions with the parties concerning the proper function of the Board, both agreed that it was not only proper for the Board to make such a proposal but that no other alternative existed.

In formulating our mediators' proposal, the Board was guided by a number of criteria: the national interest in securing an immediate resumption in shipping; an estimate of the settlement the parties would have made had collective bargaining not become stymied; and the guideposts for noninflationary wage behavior formulated by the President's Council of Economic Advisers. Additionally, industry and regional inequities had to be considered. None of these, however, are capable of being employed with mathematical precision; "no simple test exists." [2]

The Board approached the application of these criteria as mediators and not as arbitrators. Whereas a board of arbitrators would be bound to pass upon and resolve every issue raised before it, we were able, as mediators, to dismiss a long list of demands. The imperatives of the situation made it impossible to consider more than a master contract. Even so, demands for a guaranteed 8-hour day, an additional week of vacation, and Monday morning reporting pay had to be dismissed along with all the demands of a local port nature such as additional clean-up time, additional uniforms, a set lunch period, and a 5-day week for checkers attached to the pier roster.

The Board focused its attention on designing a package which would meet the above criteria and would be acceptable to both parties. Prior to fashioning such a package, it was necessary to examine the factual setting of this bargaining relationship and especially to appraise several factors which strongly influenced this situation.

The Board found that employment opportunities for longshoremen are irregular; hiring remains on a daily basis. Despite the waterfront commission's decasualization program, almost a quarter earned under $3,000 a year.

Moreover, recent agreements had been negotiated by groups with a significant impact upon this bargaining situation. The west coast longshoremen negotiated a 3-year contract, the first 2 years of which grant the employees an increase in wages and fringes in excess of 39 cents.

The New York truckers who work on one side of the longshoremen taking the cargo to and from the docks similarly secured an increase of more than 39 cents spread over 2 years. The east coast seamen who work on the other side of the longshoremen manning the ships which haul the cargo won substantial increases, averaging over 5.8 percent per year, for the period through mid-1963.

[2] Annual Report of the Council of Economic Advisers, January 1962, p. 185.

Finally, the parties' pension program needed 3 cents per hour simply to make actuarially sound the program of past benefits which had been jointly approved.

After analyzing these considerations in the context of the criteria set forth earlier, the Board proposed a 37-cent package featuring a wage increase of 15 cents the first year to be followed by a 9-cent increase the second. Additional fringe benefits (including 3 cents to make the old benefits actuarially sound) of 8½ cents the first year and 4½ cents the second were proposed.[3] The proposed wage increase proved to be in line with and slightly below the median settlement negotiated in major nonmanufacturing industries (mining, transportation, public utilities, warehousing, wholesale and retail trades) during the past year while the total package was somewhat smaller than those secured by the west coast longshoremen, the New York truckers, and the east coast seamen.

The Board stressed, nevertheless, its "strong belief that the capacity of this industry to support wages and benefits to which the employees are entitled cannot continue without serious impairment in the absence of marked improvements in manpower utilization." Because of this conviction, the Board recommended additional procedures to secure the implementation of the findings of the manpower study. If the parties are unable to agree with respect to implementing these findings, a neutral board is to be selected to make recommendations for such implementation.

This proposal was placed before a joint meeting of the parties on Sunday, January 20, 1963; quick acceptance was urged.

III. THE RESPONSE

The union bargaining committee accepted the proposal Sunday evening. The NYSA was unable to give a response until it had polled its full membership. The NYSA advised of its acceptance Tuesday, January 22.

On Wednesday, the New York ILA membership ratified the agreement.

Thursday and Friday were days of turmoil in many ports. Settlement in Philadelphia was reached before dawn Thursday. Assistant Secretary Reynolds flew to Galveston where the greatest difficulty was being encountered. Settlement was reached in Baltimore on Friday. A union back-to-work order effective in all areas other than Hampton Roads, Miami, Galveston, and Mobile was issued on Friday afternoon for Saturday morning.

Hampton Roads, Boston, Mobile, and Galveston reported settlements on Saturday. Settlement in Miami was accomplished late Sunday evening.

IV. CONCLUSION

The Board was unanimous in its reluctance to offer a mediator's proposal. Each of us felt that it was preferable to offer only our good offices to facilitate the process of negotiation and concession. However, we became faced with a situation in which, for reasons which appeared valid to the parties, neither party would move. Although it was clear that a conscionable compromise was a prerequisite to a resumption of shipping, the parties were deadlocked and unable to make such a compromise without third-party aid. Therefore, encouraged by the parties, we advanced a proposal for settlement which we believed was fair both to the Nation and to the parties. We are gratified that the parties accepted the proposal as a basis of settlement and that we can report that the strike has ended.

Respectfully submitted,

JAMES J. HEALY,
THEODORE W. KHEEL,
WAYNE MORSE,
Chairman.

[3] A complete breakdown of the Board's proposal is contained in app. J.

APPENDIX A

RECOMMENDATIONS TO THE NEW YORK SHIPPING ASSOCIATION AND THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

FEDERAL MEDIATION AND CONCILIATION SERVICE,
Washington, D.C., September 24, 1962.

Since recessing mediation conferences on September 18, we have carefully reviewed and have gone over with other Government agencies involved the discussions held with the ILA and the NYSA representatives since August 22. In addition to the direct issue of productivity or gang size, we, of course, explored with the parties during those talks a wide variety of associated problems, issues and positions.

It is obvious, and has been emphasized by both parties, that even if we could at this time get past the road block of productivity or gang size, there is not sufficient remaining time to hope to be able to bargain out a complete 3-year agreement before October 1. Except for casual mention, none of the union's original demands have yet been discussed. None of the industry proposals other than in the area of productivity or gang size have been reviewed.

Both ILA and NYSA have emphasized to us that many of the issues that have to be resolved before a 3-year contract can be consummated are both serious and complicated. To a very substantial extent, these complications and difficulties arise because of the length of time (3 years) the parties would be bound by firm agreement.

Perhaps the most difficult single problem in this situation is the long-range impact of containerization, prepackaging, palatizing, mechanizing and changes in cargo handling facilities and techniques. The union seeks to protect its members against these changes depriving them of job opportunity and earnings. The industry feels impelled to further improve cargo handling in order to maintain a profitable and competitive position.

Both the ILA and the NYSA are to be commended for having undertaken early preparations for and early discussions toward a renewal of their September 30 agreement. However, our meetings with them demonstrated that while both sides had given substantial time to study and research in preparation for negotiation of specific contract problems such as pension and welfare, there has been no realistic approach to solution of the fundamental problem of adapting the relationship between the union and the association to changes in cargo handling and its impact on the longshoremen and other crafts.

Both the ILA and the NYSA have assured the Mediation Service and other Government agencies that they are anxious to negotiate an agreement and to avoid a strike. We are certain that both the union and the association are entirely honest in so stating. We are also convinced that everyone involved in these negotiations is fully conscious of the national and international impact of a work stoppage at this time. The problem is to provide a framework within which the union and the industry can honorably and in good faith prevent a strike under the existing conditions.

With all of these factors in mind, we are urgently recommending to both the ILA and the NYSA that they agree immediately to negotiate on the basis of a 1-year contract, effective October 1, 1962. The 1-year contract should be based on a continuation of the major portion of the existing agreement, with only those changes that are immediately and absolutely essential to each party. The short term of the recommended agreement means that it will not be necessary to review carefully the entire existing contract nor to develop all of the modifications that are desirable over a longer term. As a part of this 1-year contract, in addi-

tion to such monetary and other adjustments that may be agreed upon, the union and the association would provide for a joint study of the entire problem of changes in cargo handling and operations and what is to be done to protect the labor force and insure its continuing opportunity for full employment and increased earnings. The format and details of this study should be determined by the parties themselves. Facilities of the Federal Government in the area of mediation, research, and technical services will be made available.

APPENDIX B

REPORT TO THE PRESIDENT ON THE LABOR DISPUTE INVOLVING THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION AND THE MARITIME INDUSTRY ON THE ATLANTIC AND GULF COAST BY BOARD OF INQUIRY CREATED BY EXECUTIVE ORDER NO. 11054, DATED OCTOBER 1, 1962

(By Robben W. Fleming, Chairman; Vernon H. Jensen, and Robert L. Stutz)

NEW YORK, N.Y.,
October 4, 1962.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: On October 1, 1962, under Executive Order No. 11054, by virtue of the authority contained in section 206 of the Labor-Management Relations Act, 1947 (61 Stat. 155; 29 U.S.C. 176), you appointed the undersigned board of inquiry to report to you on the current work stoppage and labor dispute affecting the Atlantic and gulf port maritime industry of the United States.

Our report is transmitted herewith.

Respectfully,

ROBBEN W. FLEMING,
Chairman.
VERNON H. JENSEN,
Member.
ROBERT L. STUTZ,
Member.
JACK R. GEORGE,
Executive Secretary.

REPORT TO THE PRESIDENT

I. INTRODUCTION

On October 1, 1962, at 12:01 a.m., the collective bargaining agreements between the International Longshoremen's Association and the steamship companies, contracting stevedores, contracting marine carpenters, lighterage operators, and other employers engaged in related or associated pier activities in all Atlantic and gulf ports from Maine to Texas expired. Since the parties had been unable to agree upon the terms of new contracts, they were left without agreements and a work stoppage took place which is 100-percent effective.

Because the stoppage cuts vital shipping lifelines to all parts of the world, the President immediately appointed this Board of Inquiry. It was directed to look into the facts surrounding the dispute and report on or before October 4, 1962.

II. THE PARTIES TO THE DISPUTE

The union involved in this case is the International Longshoremen's Association, AFL–CIO. It represents approximately 70,000 waterfront employees in ports ranging from Searsport, Maine, to Brownsville, Tex. For collective bargaining purposes the union is divided into two major subdivisions. One is the Atlantic coast district, consisting of the ports from Searsport, Maine, to Hampton Roads, Va. The other is the south Atlantic and gulf coast district, consisting of the ports along the Atlantic coast below Hampton Roads and along the gulf coast to Brownsville, Tex.

The employers are banded together in a series of local and regional associations, with some additional informal groupings and relationships. In the North Atlantic area the various employer associations have given authority to the New York Shipping Association to bargain with respect to certain issues, that is, general wage increases, hours insofar as they relate to the regular or normal workdays, the amount of contributions for welfare and pension benefits (but not the benefits to be provided by the welfare and pension plans), holidays and vacations, and the duration of the collective bargaining agreements. These associations, which are located in ports of Boston, Philadelphia, Baltimore, and Norfolk-Hampton Roads, incorporate settlements of the above issues in the various local agreements. Each port negotiates local working conditions for its separate groups. For example, in the New York area, there are six separate agreements covering the classifications of longshoremen, checkers, and clerks, cargo repairmen, maintenance, and mechanical workers, and marine carpenters. In the South Atlantic and gulf ports there are several associations and groupings, with separate negotiations being conducted in Miami, Mobile, New Orleans, and Galveston. In this area there is a tendency to follow the pattern set in New Orleans on economic issues.

III. BACKGROUND OF THE DISPUTE

The contracts which expired on October 1, 1962, were entered into 3 years ago. On that occasion, like the present, the parties were unable to agree upon the terms of new contracts and a Board of Inquiry was appointed. During the period of the injunction agreements were reached.

After the 1959 contracts were signed, and in an effort to help avoid a crisis in 1962, the Federal Mediation and Conciliation Service maintained continuous liaison with the parties. In addition to informal contacts, officials of the Service met with top union and industry representatives as early as January 1962 for the purpose of suggesting that bargaining get underway early. Both sides then undertook factual surveys on several key points.

In the middle of May, the union's Atlantic coast district wage scale committee met for the purpose of formulating economic demands for the North Atlantic ports. In mid-June the first bargaining session between the International Longshoremen's Association and the New York Shipping Association was held. This was particularly important, because negotiations in New York traditionally set the contract pattern on major issues for the South Atlantic and gulf coast ports. At this session the union presented its proposals for contract revision. They included the items dealing with the master contract, applicable to the North Atlantic ports from Maine to Virginia, and the general cargo agreement, applicable to the port of New York, such as wages, length of the working day, daily guarantee, improvement of pensions, major medical coverage, contributions to clinics, management of monetary fringe benefit grants, no cancellation clause, increase in penalty cargo rates, vacation contributions and entitlements, eligibility for holidays, duration of contract, and severance pay at terminated operations.

Numerous specific changes in language were proposed to cover the various items included in the list of demands.

Another meeting was held on June 25, and on July 16 the New York Shipping Association presented its counterproposals for the master contract, and items for the port of New York. They covered the following subjects: Night shift differential for terminal operations; flexibility of meal hours; elimination of travel time within the port of New York; right to cancel and reorder where ship fails to arrive at berth, but with payment for reporting; guarantees to men working after noon meal hour; working through meal hour; obligation of International Longshoremen's Association to provide labor for overtime work; notice by gang of willingness to work overtime; discipline for unexcused absenteeism; right of employer to refuse to hire gangs with too many absentees; right of employer to cancel work under adverse weather conditions; clarification of employer rights in using work force, by formation of joint study committee to make recommendations covering number of longshoremen needed for various types of work, shifting gangs from ship to ship, hatch to hatch, or pier to pier; use of men not organized into gangs; more effective discipline; employers' rights to manage; revision of seniority article by joint committee; pension, welfare, and clinical benefits; royalties on bulk sugar and containers.

Included also was proposed contract language covering matters listed above.

At the request of the International Longshoremen's Association, these proposals were clarified by the New York Shipping Association on August 1. At that time a monetary increase of 27 cents per hour was offered to be applied as follows: nine cents for the year ending September 30, 1963; 9 cents for the year ending September 30, 1964; and 9 cents for the year ending September 30, 1965, provided that the union was willing to accept the employers' proposals of July 16, 1962. In its clarification the New York Shipping Association specified the minimum gang sizes it desired for different types of operations.

By late August it appeared that no progress was being made, and the Federal Mediation and Conciliation Service began to play a more active role in negotiations. A special longshore mediation panel was appointed in New York which met with the parties repeatedly during the last week of August and through the month of September. Throughout this period, the union refused to discuss the proposals of the employers until the question of reduction of size of gangs was withdrawn. Likewise, the proposals of the union were not discussed. It should be noted that demands were presented in North Atlantic ports, but negotiations on local issues were at a standstill.

During this time mediators were assisting in negotiations which were being held between the union and various of the employer associations in the South Atlantic and gulf coast ports. The union was unsuccessful in its efforts to bargain with these employers on a coastwise or even on a district basis. It presented identical demands to all of these employers that were roughly parallel to the demands in New York.

Negotiations preceding the expiration of the contracts on September 30, 1962, were conducted separately in the following locations: South Atlantic district (negotiations in Miami); east gulf district (negotiations in Mobile); gulf district (negotiations in New Orleans); west gulf district (negotiations in Galveston).

Negotiations in New Orleans appeared to be the key to the economic settlement in all of the South Atlantic and gulf ports. The employers offered a 9 cents per hour monetary increase for each year of the 3-year contract, tying this offer to demands related to local working conditions. The union representatives rejected this offer and in addition insisted that grievance arbitration be removed from the contract. The employers insisted that arbitration be retained.

Some progress was made on local issues in the Miami negotiations, but nothing was accomplished on size of gangs. The union sought specific minimums on the size of gangs and the employers insisted on the retention of the right to determine the number of men needed in a gang. Economic issues appeared to be dependent upon a settlement in New Orleans.

In Mobile, too, some progress was made in negotiations over local issues, but the union demand for minimum size of gangs was in issue here. No monetary offer was made by

the employers in these discussions, and it was indicated that none would be made until the union dropped its original proposals or some monetary pattern was set in New Orleans or New York.

Although the parties exchanged proposals in the Galveston negotiations, very little progress was made. The union's insistence on minimum size of gangs and elimination of grievance arbitration was a key factor in these discussions, as was an issue over hiring hall procedures. No monetary offer was made by the employers.

On September 13, 1962, Assistant Secretary of Labor James Reynolds met with the special longshore mediation panel and the parties in an effort to get the negotiations going again. Further meetings followed, but without success.

On September 21 the representatives of the Federal Mediation and Conciliation Service prepared a proposal for submission to the parties. It called for a 1-year agreement coupled with a joint study of the problem of changes in cargo handling and operations, as well as employment security and earnings. The New York Shipping Association voiced approval of the proposal, provided that the parties also agreed upon final and binding arbitration at the end of the year as to any items left unresolved by the parties. The union rejected the proposal.

Further meetings were held with the parties right up to the strike deadline, but there was no significant change in position on either side.

IV. HEARING BEFORE THE BOARD OF INQUIRY

Immediately upon its appointment, the Board, through its Chairman, issued telegrams to the parties informing them that a meeting would be held at room 206, New York Port Authority Building, 111 Eighth Avenue at 16th Street, New York City, at 3:30 p.m. on Tuesday, October 2, 1962. The parties were requested to submit written statements of position, and were advised that they could appear in person if they so desired.

Several of the parties did make an appearance before the Board, and the others submitted written statements. Copies of these statements are attached to this report.

The Board of Inquiry met during the night of October 2, and on October 3, for the purpose of reviewing the statements and drafting this report.

V. CONCLUSION

It is evident that despite repeated meetings almost no progress has been made toward an agreement. In this sense the parties are worse off than they were at a comparable time in 1959, for on that occasion they had at least resolved a number of fundamental issues. This time the entire contract remains open and the local issues, which must be resolved after the master contract is negotiated, are relatively untouched.

A stalemate resulted when the New York Shipping Association considered the International Longshoremen's Association demands unreasonable and unsuitable for realistic collective bargaining and the union refused to bargain until the demand to change the size of gangs was withdrawn. This is the reason why the real position of the parties on the specific issues raised in their proposals is still unknown, although each indicated its proposals constituted bargaining positions and that it expected to make some compromises.

From the union's standpoint, the employers introduced demands calling for "sweeping and drastic reductions in economic benefits and working conditions which were an integral part of past collective bargaining agreements in the industry." The union contends that the productivity issue raised by the employers is not genuine.

From the employers' standpoint, the industry must have increased productivity. They purport to be flexible in their approach and to ask only that the union engage in serious discussions on this subject. The parties remain adamant in their positions. The union contends that the demand for reduction in the size of gangs and their use must be withdrawn before other matters can be discussed. The employers hold that increased productivity is imperative for the survival of the industry and that size and use of gangs is germane and must be considered.

It is clear to the members of the Board that the parties have not engaged in productive bargaining over the subjects which separate them. Since both parties profess a willingness and desire to reach an agreement, there should be a way for them to get together. The problems which these parties face are difficult but not insuperable.

In four previous situations boards appointed by the President have found that work stoppages in the longshore industry have created emergencies. The widespread impact in all the major ports creates an intolerable condition which necessitates resumption of work and an early settlement of the dispute.

If, as both parties insist, there is a genuine desire to reach an agreement, that objective can be realized. This Board stands ready to comply with the President's request that it work with the Federal Mediation and Conciliation Service in mediation efforts to resolve the dispute, but it should be understood that the primary responsibility rests with the parties.

Respectfully submitted.

VERNON H. JENSEN
ROBERT L. STUTZ
ROBBEN W. FLEMING,
Chairman.

APPENDIX C

SECOND REPORT TO THE PRESIDENT ON THE LABOR DISPUTE INVOLVING THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION AND THE MARITIME INDUSTRY ON THE ATLANTIC AND GULF COAST BY BOARD OF INQUIRY CREATED BY EXECUTIVE ORDER NO. 11054, DATED OCTOBER 1, 1962

(Robben W. Fleming, Chairman; Vernon H. Jensen, Robert L. Stutz)

WASHINGTON, D.C.,
December 3, 1962.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: Transmitted herewith is the second report of the Board of Inquiry appointed by you on October 1, 1962, pursuant to Executive Order No. 11054 and section 206 of the Labor Management Relations Act, 1947.

Respectfully,

ROBBEN W. FLEMING,
Chairman.
VERNON H. JENSEN,
Member.
ROBERT L. STUTZ,
Member.
JACK R. GEORGE,
Executive Secretary.

REPORT TO THE PRESIDENT

I. INTRODUCTION

This Board of Inquiry was created by the President under Executive Order No. 11054 to look into the facts surrounding the dispute between the International Longshoremen's Association and the steamship companies, contracting stevedores, contracting marine carpenters, lighterage operators and other employers engaged in related or associated pier activities in all Atlantic and gulf ports from Maine to Texas. Our initial report was filed on October 4, 1962. Thereafter the Attorney General sought and obtained an injunction against continuation of the work stoppage which was underway. The injunction (which remains in effect for 80 days) will expire on December 23, 1962.

The Board is required by statute to report to the President, at the end of a 60-day period following issuance of the injunction, on the current positions of the parties and the efforts which have been made for settlement. The Board must also include a statement by each party of its position and a statement of the employer's last offer of settlement.

II. EFFORTS TOWARD SETTLEMENT

When it was appointed, the President asked the Board of Inquiry, working with the Federal Mediation and Conciliation Service, to attempt to mediate the dispute. Toward that end the Board members met with the parties jointly and separately on October 16, 17, 24, 25, 30, and 31. In all of the meetings the parties remained adamant in their respective positions. The employers insisted that they must have relief on the utilization of manpower. The union insisted that this issue be withdrawn as a condition precedent to further bargaining. Faced with this impasse, on October 30 the Board made a procedural proposal to the parties for getting bargaining underway. The proposal embodied the following four points.

1. That both sides defer bargaining demands which directly related to the use and security of manpower. Specifically, this meant that the employers should defer demands for changes in gang sizes and more flexible use of manpower, while the union should defer its demand for the 6-hour guaranteed day and severance pay.

2. Following withdrawal of the above items the parties should negotiate a 3-year contract, retroactive to October 1, 1962.

3. That there should be a five-man special committee, composed of two representatives from each side and one neutral, who would act as chairman and who would be mutually selected by the parties.

4. That the special committee should be charged with the responsibility for conducting a study on the use and security of manpower and for making recommendations to the parties. Such recommendations would be rendered not later than October 1, 1963, and would thereafter be the subject of negotiation between the parties for a period of 30 days. If at the end of 30 days the parties were unable to reach an agreement either side could, on 60 days' notice, terminate the contract.

On October 31, 1962, both sides rejected the Board's procedural proposal, and neither advanced an alternative which differed in any material respect from its previous position. In accordance with an agreement with the Federal Mediation and Conciliation Service, the Board then announced that for the time being there appeared to be no purpose in further meetings under the auspices of the Board, and that additional sessions would be scheduled by the Federal Mediation and Conciliation Service.

On November 7, 1962, Deputy Director Moore, General Counsel Schmertz, Special Assistant to the Director Schlossberg, Maritime Coordinator Burke, and other commissioners met with the parties. Since then the record shows that there have been meetings in New York on November 8, 9, 13, 14, 15, 16, 18, 20, and 27, and that meetings are still being conducted as this report is being written. In addition, there have been meetings in various of the other ports and such meetings are continuing. In the course of these sessions the parties have stated their positions more fully than at any previous time, but there has been little progress toward agreement.

On November 27, in response to a request from this Board, the employers prepared and submitted "last offers" on which the employees must vote within the next 15 days. In the case of the key New York Shipping

Association offer, the union has already advised the Association that it will recommend to its members that they vote disapproval.

III. CURRENT POSITIONS OF THE PARTIES

The current positions of the parties are not substantially different from what they have been during the past 6 months. From the outset attention was focused, as in the past, on the master agreement between the New York Shipping Association and the union. This was because both parties recognized the pattern-setting potential of the New York contract, even though it did not directly apply outside the North Atlantic area. Unfortunately, these negotiations foundered almost immediately on the manpower issue and did not even extend to classifications other than longshoremen. The result has been that there has been no progress in New York. Local negotiations, both in the Atlantic area and up and down the coasts, have been perfunctory or held in abeyance. Many of these negotiations involve formidable issues which will in no way be resolved by the eventual outcome in New York.

The statements of position of the parties and the "last offers" are attached to and made a part of this report.

Following the employee vote on the employers' last offer only a few days will remain before the Attorney General shall move the court to discharge the injunction. It can be said with virtual certainty that this is not sufficient time within which to negotiate the many complicated issues which must be resolved before this dispute is ended.

Respectfully submitted.

VERNON H. JENSEN.
ROBERT L. STUTZ.
ROBBEN W. FLEMING,
Chairman.

APPENDIX D

RECOMMENDATION FOR SETTLEMENT OF THE DISPUTE BETWEEN THE NEW YORK SHIPPING ASSOCIATION AND THE ATLANTIC COAST DISTRICT, INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL–CIO, DECEMBER 19, 1962

The labor dispute in the longshore industry threatens a complete shutdown of shipping through all east coast and gulf ports on Sunday, December 23, unless agreement between the parties is reached prior to that time.

Such a shutdown would cripple the country. The threatened loss of revenue by the industry and of earnings by the employees would be only a small part of the injury to the public as a whole.

A vote has been taken among the employees on the industry's last offer. This vote was completed, in accordance with the law yesterday, December 18. The results have not yet been completely tabulated or reported. Indications are, however, that this vote will result in a rejection of the offer. The time remaining for settlement is so short—4 days now—that other possibilities of settlement must be fully explored.

Collective bargaining has so far failed completely in this case. Agreement has not been reached on any of the numerous issues which are in dispute.

The reason for this breakdown is that there has been a complete stalemate on the major issue in dispute. In reviewing the many meetings between the parties since they started exchanging demands last June, it is clear that their inability to get to the point of serious discussion of contract terms stems from a common problem. The problem, in general terms, is this:

The industry is properly concerned about how to permit the employers to introduce improved cargo handling methods and equipment and to improve efficiency through better utilization of manpower.

The union is properly concerned about how to protect job opportunities and individual security for longshoremen, increase their earning capacity, and insure their participation in the benefits of any improved operation.

These problems have developed over many years. They are not susceptible to short answers. Legitimate consideration of operating economy and efficiency must be taken into account along with equally legitimate consideration of job rights and equities. Similar problems in other industries have been met only by careful and responsible study and review over an extended period of time, usually with the assistance of experienced, neutral third persons.

It is clear from what has happened the past several months that the problems faced by this industry cannot be successfully negotiated on the basis of the situation as it exists today. Careful study and discussion outside the pressures of contract bargaining are the only sensible approach.

We, therefore, make the following recommendations for resolving this dispute:

1. That it be agreed by the parties that all manpower utilization and job security issues be referred to a manpower utilization and job security committee for study, report, and recommendation, in accordance with the following procedure:

(a) The committee shall be composed of an equal number of representatives of each party and a neutral chairman to be selected by the parties or to be appointed by the Secretary of Labor and the Director of the Federal Mediation and Conciliation Service after consultation with the parties; with the understanding that the chairman is to be a person of independent stature, experienced in such matters;

(b) The committee to be authorized to conduct such research and study as may be necessary or advisable. In this connection the Department of Labor, the Department of Commerce, the Maritime Commission, the Federal Mediation and Conciliation Service, and other appropriate Government agencies upon request will provide assistance to the committee.

(c) That this committee will report its findings and recommendations to the parties on or before August 1, 1963.

2. That the parties proceed immediately, with the assistance of the Secretary of Labor and the Director of the Federal Mediation and Conciliation Service to negotiate a settlement of all remaining issues in dispute, to be included in a contract for the period from October 1, 1962, to September 30, 1963.

3. That immediately upon receipt of the committee's report and recommendations on or before August 1, 1963, negotiations for a renewal contract be undertaken by the parties. If agreement has not been reached after 30 days of such negotiations the Department of Labor and the Federal Mediation and Conciliation Service will be asked to participate, either personally by the Secretary of Labor and the Director of the Service or through their specially designated representatives, in the negotiations for the purpose of assuring, so far as this is possible, the completion of a new agreement on or before September 30, 1963; and with the further understanding that the Secretary and the Director may recommend to the parties special procedures for the reaching of agreement on new contract terms.

We urge the parties to accept this recommendation and to report their acceptance to the earliest possible time. We stand ready to meet with either party for such clarification or discussion of this recommendation as they may request.

This proposal is made from the conviction that what is at stake here is the service of the interests of the parties, the protection of the welfare of the country, and the proving of the validity of free collective bargaining as the method of settling labor disputes in this industry. We urge that it be considered with equal seriousness by both parties to this controversy.

WILLARD E. WIRTZ,
Secretary of Labor.
WILLIAM E. SIMKIN,
Director, Federal Mediation and Conciliation Service.

APPENDIX E

DECEMBER 23, 1962.

Capt. WILLIAM V. BRADLEY,
President, International Longshoremen's Association AFL–CIO, New York, N.Y.
Mr. THOMAS W. GLEASON,
President, Atlantic Coast District, International Longshoremen's Association AFL–CIO, New York, N.Y.
Mr. VINCENT BARNETT,
President, New York Shipping Association, New York, N.Y.
Mr. ALEXANDER P. CHOPIN,
Chairman, New York Shipping Association, New York, N.Y.:

The Secretary of Labor has just reported to me the breakdown of negotiations between the parties to the longshore dispute.

He advises me that it has proved impossible to resolve the key manpower utilization, employee job security, and other related issues because of the lack of an adequate study of the conditions giving rise to these issues; that both parties recognize the need for such a study and are willing to postpone final settlement of these issues; but that there is disagreement about the time such a study will require.

As a result of months of disagreement about this group of issues, there has been virtually no bargaining, and therefore no agreement, about other contract issues.

The national welfare demands that every possible effort be made to prevent the shutdown of longshore operations at all east coast and gulf ports. It would choke the economy and cut the Nation's lifelines with the rest of the world.

I therefore propose, in the national interest, that the parties agree to accept the following procedure:

1. That all disputed manpower utilization, job security, and related issues be referred to a study which I shall direct the Secretary of Labor to undertake at the earliest possible time.

2. That all other disputed contract issues, including the question of contract period, be presented to a board composed of Judge Harold R. Medina, of New York City, chairman; Emanuel Stein, of Long Beach, Long Island; and James C. Hill, of Pelham, N.Y., which I am appointing for this purpose; this board to hold hearings on these issues and questions, to make recommendations to the parties regarding them on or before February 15, 1963, and to assist the parties in reaching agreement on these issues and questions.

3. That operations be continued under present employment terms and conditions for a period of 90 days.

I request that you advise me, through the Secretary of Labor, at 12 o'clock, noon, today, December 23, regarding your acceptance of this proposal which the national interest so urgently demands.

JOHN F. KENNEDY.

APPENDIX F

STATEMENT BY THE PRESIDENT

THE WHITE HOUSE,
January 16, 1963.

This is the 24th day of virtually complete shutdown of all Atlantic and gulf coast ports resulting from the strike by the International Longshoremen's Association.

This shutdown is doing intolerable injury to the national welfare. Hundreds of ships are immobilized. Over 100,000 longshore and maritime workers are idle. Economic losses to the Nation are running at a rate of millions of dollars a day. Serious damage is being done the U.S. dollar balance. Vital foreign aid and relief shipments are blocked. The lifeline between Puerto Rico and the mainline has been cut; and commerce imperative to the economic well-being of the free world is disrupted.

All statutory procedures have been exhausted in this case. The present strike started on December 23, 1962, with the ending of the 80-day injunction period provided for in the Labor Management Relations Act. Intensive mediation since that time by the Secretary of Labor and the Federal Mediation and Conciliation Service has been unavailing.

The point of public toleration of this situation has been passed. If this case cannot be settled by private action, then further public action is required.

I am accordingly establishing today a special Board composed of three men with distinguished experience in industrial relations: Wayne Morse, Chairman, James J. Healy, and Theodore Kheel. I am charging the Board with the responsibility of making a necessarily quick and summary investigation and review of this controversy, and the prospects for its prompt settlement without further injury to the public interest, reporting to me no later than January 21, 5 days from today.

This Board will ask representatives of the parties to meet with them. If it can assist them, by mediation or recommendation, to reach an agreement consistent with their mutual interests and the public interest, this will constitute the most satisfactory disposition of this case.

If such an agreement is not reached, I am asking the Board to recommend a procedure which will assure an immediate resumption of operations at these ports and a settlement of this dispute on a basis and by a procedure limited to the circumstances of this particular situation.

Following receipt of the Board's recommendations, I shall report to the Congress under section 210 of the Labor Management Relations Act, which requires in situations such as this a report by the President to the Congress, including "such recommendations as (the President) may see fit to make for consideration and appropriate action."

I call upon the parties to this dispute to exercise their responsibilities, not only as representatives of the private interests involved in this controversy, but also as stewards of the essential institution of free collective bargaining.

APPENDIX G

STATEMENT BY THE MEDIATORS

It is imperative that this dispute be settled quickly. The impact of the strike extends far beyond the parties immediately involved. The economic well-being of the country is being seriously impaired, innocent parties irreparably harmed, and the economies of many of our allies in the free world injured.

Several million Americans owe their livelihood to foreign trade, much of which has stopped, impairing jobs as well as our vital dollar balance. Millions of dollars are being lost daily; tens of thousands of American workers have lost jobs. Others face unemployment unless shipping is resumed at once.

There are 556 ships tied up due to the strike—100,000 longshoremen, and American and foreign seamen are idle in our ports. There are an estimated 20,000 boxcars backed up along the Atlantic and gulf coasts. Ten thousand truckdrivers in the New York area, alone, are without work

A shortage of raw materials, such as jute, wool, and other materials, has caused plants in many parts of the country to cut production and lay off workers. The prices for foods and many other imported commodities have increased. The supply of sugar is running short immediately threatening the jobs of 10,000 refinery workers.

The pinch is being felt in Puerto Rico where unemployment is increasing daily.

These are but a few of the very many economic disjointures caused by this maritime tie-up. Therefore, the Board urges the parties to reach whatever understandings are necessary so that the ships will start moving at the earliest possible moment.

It is against this background that we have advanced our proposal to assist the parties in reaching an agreement. This proposal has grown out of our mediation efforts. It is based on extensive discussions with the parties and information they have supplied us.

Our recommendations on wages and fringe benefits necessarily take into account inequities existing between employees in this industry and those in other related industries and area groups.

We wish, however, to emphasize our strong belief that the capacity of this industry to support wages and benefits to which the employees are entitled cannot continue without serious impairment in the absence of marked improvements in manpower utilization. It is for that reason that the Board calls to the attention of the parties the importance of implementing at the earliest possible date the findings growing out of the manpower study.

We wish, also, to emphasize the dual scope of the study in its related aspect of job security since this is of critical importance in connection with the elimination of inefficient manpower utilization.

MEDIATORS' PROPOSAL

On January 16, 1963, the President of the United States appointed a special Board to investigate and review the pending strike involving the International Longshoremen's Association and various employer associations. In his statement, the President included the following mandate:

"This Board will ask representatives of the parties to meet with them. If it can assist them, by mediation or recommendation, to reach an agreement consistent with their mutual interests and the public interest, this will constitute the most satisfactory disposition of this case."

In keeping with these instructions from the President, the Board engaged in intensive mediation efforts, including the suggestion to the parties that mediation proposals be submitted to them by the Board. Both parties agreed to this procedural proposal.

Accordingly, the Board recommends to the parties that they enter immediately into the attached memorandum of settlement, which will serve as the basis for resolution of all pending issues in dispute in the North Atlantic district and will permit prompt resumption of work there and lead quickly to a settlement in all other areas.

With respect to the South Atlantic and gulf ports, the Board recommends that the parties return immediately to their respective ports to resume negotiations to bring this dispute to a swift conclusion. The Federal Mediation and Conciliation Service stands ready to assist the parties in every way possible in their efforts to conclude satisfactory, negotiated agreements, and the Board has requested the Director of the Service to advise this Board continuously of the parties' progress toward the quick resolution of outstanding differences.

JAMES J. HEALY,
THEODORE W. KHEEL,
WAYNE MORSE,
Chairman.

MEMORANDUM OF SETTLEMENT

Memorandum of settlement, made the 20th day of January 1963, covering the following labor contracts to be made by the employer-members of the New York Shipping Association, Inc., and the International Longshoremen's Association and its affiliated locals for the port of Greater New York: General cargo agreement; cargo repairmen agreement; checkers agreement; clerking agreement; general maintenance, mechanical, and miscellaneous workers agreement; horse and cattle fitters, grain ceilers, and marine carpenters agreement.

The parties agree that the agreements previously in effect in New York and which expired on September 30, 1962, shall be extended for a term of 2 years, or, namely, until September 30, 1964, with the following changes only:

1. The basic wage scale shall be increased as follows: (a) 15 cents per man-hour worked, effective October 1, 1962; (b) 9 cents per man-hour worked, effective October 1, 1963.

2. Pension: The employers shall increase their contribution to the pension fund as follows: (a) 4 cents per man-hour worked, effective October 1, 1962; (b) 5 cents per man-hour worked, effective October 1, 1963.

It is the Board's judgment that this two-step adjustment in pension contributions will insure the following pension benefits for the New York port, such benefits to become effective October 1, 1963: (1) An increase of pension to $100 per month; (2) an extension of this improved pension to persons now or about to be retired; (3) an increase in the death benefit by $500; (4) establishment of vested pension rights after 25 years' service.

It is relevant that the two-step adjustment in pension contributions will help to place the fund on a sound actuarial basis so that future charges for catchup may be avoided. Of the 9-cent adjustment, 3 cents is needed to support the existing level of benefits and is not for increased benefits.

3. Medical care provisions:

(a) At the present time 15 cents per hour is contributed by the employers for and insured health and welfare program. In addition, 6 cents per hour is contributed by them for the operation of clinics. It is the Board's belief that the medical service for longshoremen and their families could and should be more comprehensive and uniform in the level of benefits. At the same time, it is believed that these goals could be achieved in large part by a more effective use of present contributions.

Therefore, the Board recommends that the parties promptly undertake a study of their entire medical care program by engaging mutually accepted authority or authorities in this field who will submit recommendations for consideration by the parties. The results of such a study should be available before the end of the first contract year.

(b) Given the foregoing recommendation, the Board believes that the following adjustments in this area are indicated at this time:

(1) Clinic: An increase in the employer contribution by 2 cents per hour. This increase, to be effective October 1, 1962, shall cease on October 1, 1963.

(2) Health and welfare: An increase of 2½ cents per hour, effective the date of the signing of the agreement.

The trustees of these funds may elect to improve benefits immediately to the extent possible by these adjustments or they may wish to await the outcome of the study before utilizing the additional contributions.

4. Holidays: One additional paid holiday shall be granted during the second year of the contract. The holiday to be designated is to be agreed to by the parties or, if no

agreement is reached, the matter will be submitted to the grievance machinery.

5. Joint management of welfare and pension funds: With respect to the joint management of welfare and pension funds, the Board notes that such joint management, with procedures for the resolution of disagreements between the trustees, is provided by the Labor Management Relations Act.

6. Manpower utilization and job security study: The parties agree to a study by the Department of Labor under the direction of the Secretary of Labor of the problems of manpower utilization, job security, and all other related issues which affect the longshore industry. The study should be a comprehensive one of manpower utilization-job security, including an analysis of and findings with respect to gang size, work-force flexibility, severance pay, register closing, automation, and such other manpower utilization-job security items as the Secretary of Labor shall determine.

The Board envisages, and the Secretary of Labor has agreed, that similar services will be available to other ports with manpower utilization-job security problems. In determining the scope of the study, the Secretary will be guided by advisory panels to be selected by each party.

Upon the completion of the study, the parties shall bargain with respect to the implementation of the findings of the Department of Labor. If the parties have been unable to reach a mutually satisfactory agreement by July 31, 1964, the parties shall select a neutral board to study the areas of disagreement and to make recommendations for resolving any remaining differences in a manner consistent with the findings of the Department of Labor and the interests of the parties.

7. By their execution of this memorandum, the parties hereto agree that all issues between them have been completely settled and that the memorandum is subject to no condition other than ratification by their respective memberships.

8. Master contract: The provisions above which relate to wages, hours, the amounts of contributions for welfare and pension benefits (but not the benefits to be provided by different welfare and pension plans) and the term of the collective agreements are agreed to and shall apply to the master contract for North Atlantic ports to Hampton Roads, Va.

Except as modified by the above, all of the terms in the contracts which expired September 30, 1962, shall be embodied in the agreements.

APPENDIX H

THE WHITE HOUSE,
January 21, 1963.

The President met this noon with the Special Mediation Board which he appointed last Wednesday in the longshore case.

Chairman Wayne Morse and Board Members James Healy and Theodore Kheel informed the President of the mediators' proposal which they submitted yesterday to the New York Shipping Association and the International Longshoremen's Association.

The union has accepted this proposal, subject to ratification by the membership. The Shipping Association Labor Policy Committee is meeting in New York this afternoon to vote on the mediation proposal and will submit it to the association membership tomorrow.

The President expressed his great appreciation to Senator Morse, Professor Healy, and Mr. Kheel for their intensive and constructive mediation efforts in this case, and asked that they continue their function until full and final agreement is reached.

The President requested the Board to urge upon the parties the imperative public interest in the immediate settlement of this controversy both in the port of New York and the other Atlantic and gulf coast ports.

APPENDIX I

Employers' breakdown of union demands as of Jan. 6, 1963—Additional costs per straight-line hour above—Current expenditures on wages and fringes

[In cents]

	1st year	2d year
Wages [1]	15.0	26.0
Pensions [2]	9.0	9.0
Welfare (including major medical) [2]	8.0	8.0
Clinic	3.0	3.0
4 new holidays (plus new rate for 8 holidays)	7.3	8.0
4-week vacation (plus new rate for existing vacation) [3]	6.1	7.1
8-hour day	32.6	33.5
Total, straight-time cost [4]	81.0	94.6
Additional overtime costs plus payroll taxes, insurance, etc	5.0	8.5
Total	86.0	103.1

[1] Since 25 percent of all man-hours worked are overtime hours, the 15-cent wage increase would actually amount to 17 cents the 1st year, and the 26-cent increase the 2d year would cost 29.25 cents.

[2] Union accepts a figure submitted by Prof. James Healy as being accurate but demands employers must guarantee contributions on the basis of 43,000,000 man-hours a year.

[3] Assumes 4th week of vacation applicable to men with 15 years of service and that 13,500 men would qualify.

[4] All annual costs were divided by 41,000,000 man-hours to get an accurate cents-per-hour cost.

APPENDIX J

North Atlantic Longshore mediation proposal

[In cents]

	Changes 1st year	Increased cost of 1st year over existing contract	Changes 2d year	Increased cost of 2d year over existing contract
Wages (present base is $3.02)	+15	15	+9	24
Pensions	+4	4	+5	9
Catchup [1]	(+3)	(3)	(0)	(3)
For new benefits	(+1)	(1)	(+5)	(6)
Health and welfare	+2½	2½	0	2½
Clinics	+2	2	−2	0
Holidays	0	0	+1½	1½
Total	+23½	23½	+13½	37
Wages	+15	15	+9	24
Fringes	+8½	8½	+4½	13
Fringes less catchup	+5½	5½	+4½	10

[1] Necessary to make old schedule of benefits actuarially sound.

Mr. MORSE. Mr. President, on page 4 of the report to the President we say:

II. THE SPECIAL BOARD

The Special Board was appointed January 16, 1963, and convened in New York the next morning. Early in the day the Board met first with the 18-man bargaining committee for the NYSA and then with the full 125-man union bargaining committee in order to ascertain the positions of the parties.

Many times representatives of more than 18 shipowners were present.

The Board confirmed the existence of the conditional agreement to submit the manpower utilization and job security issues to the Secretary of Labor for study by the Department of Labor. The NYSA reaffirmed its offer of 22 cents and indicated its willingness to bargain from that figure if concessions were forthcoming from the union. The union, on the other hand, insisted that its demands were reasonable and that they be met in full.

Throughout Thursday, Friday, Saturday, and Sunday morning, the Board, both as a board and individually, met repeatedly with both full committees, with the leaders of both committees, with union and employer representatives from the South Atlantic and gulf ports and the respective FMCS mediators, and with various ILA craft leaders from the port of New York. The Board was thus fully apprised not only of the problems in connection with the negotiation of a new master contract but also of the local issues in New York and the underlying issues in the southern ports.

In each encounter the Board attempted to ferret out the true positions of the parties and to impress upon the parties the advantage of a bargained agreement and the need to arrive at a conscionable compromise. Each union demand was scrutinized to determine if the benefits desired could be purchased more cheaply than had been estimated. Out of this probing came an agreement to select a qualified authority or authorities in the health and welfare area to study the existing medical care program in order to determine if benefits could be increased or costs reduced.

These meetings failed, however, to produce any shift in the parties' basic positions. The union demands remained at the employer-estimated $1.031, the employers' offer at 22 cents. The union was adamant in its determination to secure its entire package; the employers refused to indicate the amount of "give" in their position.

Although it was clear that both parties would need to make concessions if Atlantic and gulf coast shipping were to resume and although it was clear that at some point, in some manner, such shipping would resume, neither party would formally or informally alter its position. The NYSA, though indicating that it had not made its last offer, stated that it refused to be "inched up" any higher unless there were substantial union concessions. The union, indicating that it had already pared considerably its original demands, stated that it considered its demands to be reasonable in light of other agreements which had been reached in the maritime industry and in the Greater New York area.

Since neither party would, or felt that it could, initiate a move to close the existing gap, the stalemate could be broken only by an outside proposal. Late Saturday, therefore, after all efforts to induce the parties to modify their positions had failed, the Board indicated its intention to make a mediators' proposal on Sunday. Both parties, recognizing the dilemma posed by the existing deadlock, encouraged this procedure.

Mr. President, we talked with the parties at length about that. We said, "We want you to understand that we have no desire to impose upon you an offer if you do not want us to make it; but we also want you to know that we have an obligation to return to the President on Monday and make recommendations to him as to how we think this case ought to be settled in order to get the ships moving." It was costing the industry $25 million a day, and it was costing the American people several times that amount. That was the economic dilemma faced by the parties and faced by the Board.

I resume reading from our report:

Indeed, in discussions with the parties concerning the proper function of the Board, both agreed that it was not only proper for the Board to make such a proposal but that no other alternative existed.

In formulating our mediators' proposal, the Board was guided by a number of criteria: the national interest in securing an immediate resumption in shipping; an estimate of the settlement the parties would

have made had collective bargaining not become stymied; and the guideposts for noninflationary wage behavior formulated by the President's Council of Economic Advisers. Additionally, industry and regional inequities had to be considered. None of these, however, are capable of being employed with mathematical precision; "no simple test exists."

They had to be considered within the guidelines. If the critics who are falsely charging that this settlement violated the President's guidelines for anti-inflationary control would only read the report with respect to the guidelines, they would not talk so much nonsense, for the report is clearly within the guidelines of the President.

Mr. WILLIAMS of Delaware. Mr. President, I desire to give the Senator from Oregon ample time in which to finish his speech. I was wondering how much longer he would speak.

Mr. MORSE. Mr. President, I will make a deal. I will make a mediation deal. I shall not take more than 10 minutes. However, I should like to have the Senator from Ohio [Mr. LAUSCHE] have an opportunity to respond.

Mr. WILLIAMS of Delaware. I will yield to the Senator from Ohio.

Mr. MORSE. I am almost finished. I wish to speak about guidelines.

Mr. WILLIAMS of Delaware. I desired to reply to some remarks made by a Member of the other body, and I wanted to proceed as soon as I could.

Mr. MORSE. I simply cannot tell the Senator from Delaware how much I appreciate his courtesy in yielding to me at this time.

Returning to my discussion of the guidelines, Mr. President, the Board has been unfairly criticized by such periodicals as Time, U.S. News & World Report, and Newsweek, whose editors obviously did not spend an hour in doing their bookwork. Had they done their bookwork, they would not have charged the Board with violating the inflationary guideposts or guidelines. In fact, their stories and those of a good many other editors indicate, apparently, that they have never even read the report of the Council of Economic Advisers, in which so-called inflationary control guidelines were established, because the report itself makes it very clear that these are very general guidelines; they are not specific guidelines. No blueprint of inflationary control in respect to wages has been handed down by this administration.

PROPOSED AMENDMENT OF RULE XXV—SENATE RESOLUTION 90

The PRESIDING OFFICER (Mr. MCGOVERN in the chair). The hour of 2 o'clock having arrived, under the rule Senate Resolution 90, to amend rule XXV, coming over from yesterday, goes to the calendar; but a motion to proceed to its further consideration is now in order.

POINT OF PERSONAL PRIVILEGE

Mr. MORSE. Mr. President, continuing the discussion of my point of personal privilege, I desire to make it very clear that under the so-called inflationary control guidelines, the parties to a labor dispute, a board of mediation in a labor dispute, or a board of arbitration in a labor dispute have not only the authority but also the clear duty to consider inequities in the industry before they proceed to apply any formula involving so-called general guidelines.

That is elemental in the settlement of labor disputes. The doctrine of clearing up inequities prevailed throughout the war. When the country was at war, the War Labor Board, of which I was a member, always looked to see whether any so-called inequities had to be ironed out first.

I think I can illustrate this point if we assume an absurd hypothetical situation. Today the lowest paid workers in the country are probably the laundry workers; thousands of them receive from 53 to 60 cents an hour, in areas where the color of their skins is, for the most part, black. Let us assume, as a hypothetical case, that all the laundry workers in the United States went on strike, and that the doctors, the hospitals, the restaurants and the schools—needing clean laundry for purposes of health and food and sanitation—pleaded with the President to recognize that the nationwide laundry strike created a national emergency, and asked that the Taft-Hartley Act provisions be applied to it. Let us assume that the President agreed, and that the Taft-Hartley Act provisions were applied to it. Suppose that those procedures ran their course, and that after the 80 days called for by the Taft-Hartley Act, the laundry workers again went on strike—as they would then be free to do—and that the President appointed a special board of mediation, as he did in the case of the east coast dockworkers strike. The first responsibility of the board appointed to deal with the wage issue would be to determine whether gross inequities existed in the industry, and, if so, to make some adjustment of them. There is no way of knowing how much adjustment would then be made. But if any was made, I would say it would not be improbable that the board would first make an adjustment to 75 cents an hour. It could not eliminate all at once the gap between 53 to 60 cents an hour and say $1 to $1.25 an hour; but it could narrow the gap. Then, in addition to eliminating some of that inequity, the board would apply the so-called inflationary guidelines.

I did that, when I sat on the War Labor Board, in well over 200 opinions which I wrote, and which were either unanimously approved by the Board or were approved by a majority. I challenge any Senator to find a single litigant who appeared in any of the cases which came up when I was a member of the War Labor Board and who would challenge my impartiality or would claim that I had any dispositions which would disqualify me from rendering impartial judgment on the merits of the issues—either as a member of the War Labor Board or as a mediator or as an arbitrator.

Mr. President, what inequities do we find in the longshore industry? I have already pointed out that we find this is a shockingly low-paid industry, from the standpoint of take-home pay. This industry is completely dependent for its operations on the maintenance of a broad and deep pool of unemployed men. It is more polite to call it an industry of casual employment. This industry has to have a large pool of men out of work in order to operate. Sometimes they are able to obtain 2 days of work a week; sometimes, 3 days of work a week; or, at rush periods, sometimes they are able to obtain 4 days or 5 days of work a week. But when the shipping decreases, they will go for many days without work. That is the kind of inequity with which we had to deal. So we had to look at the wage pattern in the labor market area of the east coast.

There has developed since the steel case a great deal of talk about guideposts and guidelines in regard to inflationary control. Yet we find that the west coast longshoremen received, after the steel case decision, a wage package settlement higher than the wage package settlement this Board recommended to the parties for the east coast dock strike. If Senators think that does not create an inequity, they do not have the slightest comprehension of the dynamics of settling labor disputes.

We also found that the New York truckers received a wage package settlement—and received it since the steel case decision—higher than the wage package settlement we offered in this case. If Senators do not think that does not create an inequity in the labor market area, when a group of men who work on one side of the longshoremen taking the cargoes to the docks got a better settlement—then Senators do not know anything about the dynamics of settling labor disputes.

We found that the seamen received, many of them since the steel case decision, package settlements higher than the one we are offering the longshoremen in this case. And we found—as is shown by our report to the President—that the median wage settlement negotiated in major nonmanufacturing industries during 1962 is higher than the wage proposals we offered in this case.

Mr. President, anyone who does his bookwork will not attack this Board on the basis that it violated any inflationary guidelines. On the contrary, we stayed under them and we corrected—to a degree—the inequities. We did not iron all of them out; that never is done in one case. But we made an improvement. I wish to emphasize that point, because I think it is too bad that the press and the periodicals do not give the people of the country even mathematical facts.

Then in our report to the President we say:

The Board approached the application of these criteria as mediators and not as arbitrators. Whereas a board of arbitrators would be bound to pass upon and resolve every issue raised before it, we were able, as mediators, to dismiss a long list of demands. The imperatives of the situation made it impossible to consider more than a master contract. Even so, demands for a guaranteed 8-hour day, an additional week of vacation, and Monday morning reporting pay had to be dismissed along with all the

demands of a local port nature such as additional cleanup time, additional uniforms, a set lunch period, and 5-day week for checkers attached to the pier roster.

And there were many others.

The Board focused its attention on designing a package which would meet the above criteria and would be acceptable to both parties. Prior to fashioning such a package, it was necessary to examine the factual setting of this bargaining relationship and especially to appraise several factors which strongly influenced this situation.

Mr. President, the entire report will go into the RECORD.

I close by making this final observation in regard to what my Board did:

We settled the dispute for a 37-cent package. Yet there are misinformed critics, such as the Senator from Ohio, who keep talking about a 39-cent package.

Mr. LAUSCHE. That is what it was.

Mr. MORSE. I have tried to figure out where they get the 39 cents. This is where I think they probably get it, but they do not read accurately:

The settlement for the first year is 23½ cents. The settlement for the first year contains 2 cents an hour for clinics. The 2 cents an hour for clinics was granted because we found great inefficiency in the functioning of the clinics. The employers had charged dishonesty and corruption. Before we got through, they admitted that their charge did not stand up.

We called in experts to advise with us, including, incidentally, Professor Healy, of Harvard Business School, who is recognized as one of the four or five outstanding authorities in the country in regard to welfare, pension, and health clinic funds. He advised us——

The PRESIDING OFFICER (Mr. BAYH in the chair). The Chair would like respectfully to advise the Senator from Oregon that his 10 minutes have expired.

Mr. MORSE. I am sure that my friend, the Senator from Delaware, will give me an additional 2 minutes. This is my last point.

Mr. WILLIAMS of Delaware. I yield 2 minutes to the Senator from Oregon.

Mr. MORSE. We called in experts from Columbia University Medical School. Those experts said that if they could get an additional 2 cents an hour for 1 year they could use that 2 cents to reorganize clinics. That is what they propose to do. The parties have agreed to do it. They will have experts from Columbia University Medical School to help them do the job. At the end of the year, the 2 cents devoted to that purpose will be dropped. That will leave 13½ cents for the second year; 23½ and 13½ cents makes 37 cents. There is not 39 cents in the package at all.

I surmise that what has happened is that some calculators assume that that 2 cents for clinics would continue into the second year. That would make 39 cents.

But the table in our report, which we sent to the Press Gallery, and the information that the parties gave the public shows under "clinics" for the second year zero, not two.

I close by saying that it is not pleasant for me to make this speech. That is not senatorial talk. We often hear it said that we use a great deal of so-called senatorial language when we refer to each other as "distinguished Senators," "dear friends," "good friends," and so on. It is said that that is a little gobbledygook. When the Senator from Oregon and the Senator from Ohio use those terms, it is not. Although today I have a very deep disagreement with my friend from Ohio, for I think yesterday he did an uncalled-for gross injustice to my Board, I mean it when I say that my difference will never affect the very warm friendship that exists between the Lausches and the Morses. The Senate may not know it, but it is one of the close friendships of the Senate, and I consider it a dear possession. But when my friend from Ohio enters into this area and does the wrong that I consider he did yesterday, then we meet each other on straight professional grounds in the Senate, Senator to Senator; for I do not intend to let the Senator from Ohio or any other Member of this body do an injustice to my Board and thereby also do an injustice to my President.

I can tell the Senate that the President of the United States is highly pleased with the work his Board did. He is highly gratified over the settlement, and shares the Board's analysis of its economics and its mathematics. I do not intend to permit the Senator from Ohio or any other Senator to make statements on the floor that cannot be squared with the facts, and thereby do an injustice to my Board and to my President.

I thank the Senator from Delaware most sincerely for his courtesy.

Mr. LAUSCHE. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Ohio?

Mr. WILLIAMS of Delaware. I yield to the Senator from Ohio under the circumstances.

Mr. LAUSCHE. Mr. President, I am grateful to the Senator from Oregon for his generous expression about the relationship of the Lausche family with the Morse family. I can truthfully restate that thought and say that I have constantly enjoyed my association with the Senator and Mrs. Morse. I am quite sure that if Mrs. Lausche were present, she would make a similar expression. Mrs. Lausche has told me of the numerous times she and Mrs. Morse have been together in the gallery, and in a unison of compassion between them, they looked down upon the contest in which the Senator from Oregon and I, in equal thought, were engaged.

In my statement yesterday I said to the Senate:

I have implicit confidence in the integrity and veracity of the senior Senator from Oregon. However, he has predispositions and he has ideologies, and in my opinion the predisposition which he had, in spite of his truthfulness, made it impossible for him to be what one might call an impartial arbitrator.

By those words I meant no reflection upon the integrity of the Senator from Oregon. However, I have had experience in life, and I know that to a greater or lesser degree we are all burdened with predispositions. I believe it was Mark Twain who gave answer to one who thought that Mark Twain's wife was not of lovely appearance. Mark Twain said:

If you could only see her through my eyes.

That which we have within us frequently overpowers our reasoning, and while we think we are acting objectively and impartially, the fact is that we are deep slaves to our ideologies and predispositions. I frankly say to the Senator from Oregon that if I were trying a lawsuit and trying to select a jury which I not only wanted to be fair and objective, but also one that I thought could be fair and objective, overpowering the will that frequently operates with inexorable force, I would not choose the Senator from Oregon to be on that jury in a case of that type.

I do not retreat from what I said.

And I do not blame the Senator from Oregon for this. He was asked to serve on the Board. He did not petition for the job. When he was asked to serve, I can see that there was no other course for him than to accept.

The argument was made that this was a board of mediation and not of arbitration. When one looks at the form of the words used—the application given to the Board—one construes it to be a board of mediation, but when one looks at the substance as distinguished from the form, I respectfully submit that it was a board of arbitration, because what the board recommended, having the President's aegis, was tantamount to an order. There was no opportunity to reject on the ground that it was mediation.

I do not want to yield to the Senator from Oregon about the depth of knowledge about law. He was the dean of a law school, and I respectfully submit that I taught law for 8 years, and one of the subjects I taught was equity. The subject of arbitration, as the Senator from Oregon knows, comes primarily within the law of equity. So I know the meanings of terms. I know the distinction between arbitration and mediation.

When I speak of the substance and the spirit of what was done under the circumstances being arbitration, I cannot help thinking of the rule in equity about a deed. A deed is given by the owner of property to a lender, and the deed given constitutes an absolute conveyance, but it was intended only as the security for a debt. Well, the form is a deed, but the substance is a mortgage.

In this instance the form was mediation, but the substance was arbitration.

I have some further views I should like to mention on this subject. It is thought that the impact of this alleged settlement has run its course and that it will not be felt in our economy. I cannot agree with that view.

The strike has been stopped, but the impact on our national economy will only be revealed within the next few years.

The inordinate power of the Longshoremen's Union continues unabated. The power of the Longshoremen's Union to paralyze business and industry and

the economy generally, if and when it chooses, lives on. The competitive position of American producers in their efforts to find buyers among the foreign nations of the world is made worse rather than better by the alleged settlement. The forces of inflation are intensified, and will be further aggravated if the tax cut program is adopted. The formula for wage increases recommended by the President in his repeated statements has been rejected by this supposed settlement, because the terms of the settlement recommended by the President's mediation board grant overall increases having no relationship to increase in productivity.

In the President's economic reports of 1962 and 1963, it was indicated that the wage increase norm should not exceed 4 percent, and even then should be kept in line with productivity. I suggest the reading of the 1962 report, pages 185 to 189; and the 1963 report, pages 83 to 88.

The so-called President's mediation board has established a formula which will have harmful impacts upon our economy. The wage increase to the Longshoremen's Union—practically ordered by the board—constitutes, for the 2-year period, an 8.8-percent increase in annual pay.

I wish to repeat that figure. The increase is 8.8 percent.

This 8.8 percent, regardless of how we argue to the contrary, will become the floor in whatever labor-management disputes might arise within the next few years, in the basic industries of our country. I ask, How can it be different?

Let us assume there is a steel strike, and that it is pointed out in the argument that a President's mediation board recommended an 8.8 percent increase in the longshoremen's dispute. Those who try to answer will encounter difficulty. They will encounter the same difficulty which has been encountered by those negotiating settlements in the different strikes mentioned by the Senator from Oregon, who contends the grants were much in excess of what was granted in this instance.

I am not one who is going to speak one day about the dangers of inflation and the next day forget completely about them. I listened to the President's message to the joint session of Congress, and I know that he told us that what is needed now is to give to the country and not to take from it. I know what he said about the inordinate demands for increases in wages placing us in a noncompetitive position, accentuating the strains and forces which are trying to break loose to put us into a period of inflation.

Since 1936, Mr. President, the taxpayers of the United States have been subsidizing the operation of the ocean-going vessels of our country. At present the taxpayers are paying to the operators of the deep-sea-going vessels the sum of $200 million a year. That fact is not generally known. But, every time an inordinate pay increase is granted it draws more deeply on the pocketbooks of the American taxpayers.

The stevedores who work on the ships do not directly receive a subsidy, but eventually they will receive it indirectly.

By force of the order made by the President's so-called mediation board, the taxpayers' burden of subsidizing will be accentuated. Repeatedly, it has been said by persons learned in world trade, and especially in our balance-of-payments problems, which are causing our short-term foreign creditors to demand payment of their credits in gold rather than in our paper dollars, that if we are to put our people to work, we need to expand the selling of our goods in world markets. If we are to sell goods in world markets, we must keep ourselves in a competitive position. We cannot keep ourselves in a competitive position, even in competing with the desire to carry merchandise on the high seas, if this grant of 8.8 percent becomes the guideline, as I believe it will.

By carrying into effect the recommendations of the President's mediation board, instead of improving our competitive position we are worsening it.

Past experience indicates that recommendations made by a Presidential committee are tantamount to an order, and, when obeyed, become the guidelines in settling subsequent management-labor disputes in the basic industries.

The President appointed the mediation board members. In my opinion, he wanted that dispute settled. In my opinion, the composition of the Board, in spite of the honesty and integrity of the members, was of a nature making it impossible to render a fair, objective, and impartial judgment.

With due respect to the Senator from Oregon, I think, if he will read his speech, he will find running through it arguments indicating his inability to definitely approach the problems involved in the dispute with objectivity and impartiality. I say that because part of the argument which was made was not on the basis of reason, one that I would understand to be based on a study of logic; it was an argument ad hominem. That is an argument to the passions, and not an argument confined to what would be called cold, realistic facts.

Let us take a look at the demands of the longshoremens union in this dispute. They asked for an increase of 86 cents for the first year and an increase of $1.03 for the second year. If the 86-cent-an-hour demand, covering the first year, had been granted, it would have meant a 23-percent increase in wages. If the $1.03-an-hour demand for the second year had been granted, it would have meant a 27½-percent increase. Both of those demanded increases obviously were unrealistic, astronomical, and propounded with the sole purpose of being used for bargaining objectives.

It makes no difference whether the recommendation was 25.2 cents or 39.9 cents. The shippers assert that it was 39.9 cents for the second year. I heard the argument given by the Senator from Oregon about the 2-cent item. But even though it is reduced by the 2-cent item, my opinion is that the increase granted will be 8 percent. And I submit that the economy of our country cannot stand an increase, percentagewise, of that effect, without precipitating us, at still greater speed, in the realm of inflation.

According to my calculations, the increase for the first year amounted to 6.8 percent, and for the second year, 10.8 percent, the average being 8.8 percent for the 2 years.

But, finally, as I said earlier in my remarks, no legitimate settlement was made. The settlement is in discord with the oft-repeated principle enunciated by the President that wage increases should have a relationship to increased productivity. Here there was no increased productivity. Featherbedding practices are allowed to continue. No increased productivity is to be received by the employer for the 39.9-cent-an-hour increase package for the second year, or for the 25.2-cent increase pertaining to the first year.

The compliance obtained from management was that of a recommendation made by the so-called Presidential mediators. Industry had no alternative but to accept it.

Currently in the Congress, debates are in progress about the wisdom of the President's program for a tax cut, allegedly intended to help business as well as the general public. The theme is advanced that we must give business an incentive. The theme is advanced that we had better stop dissuading business from venturing into expanded operations. I think that we are doing the very opposite. I regret deeply that this division occurred, and I hope that it is not a lasting one. My respect for the Senator from Oregon is high. I trust his integrity. I want to repeat, however, that, as the magazines and newspapers have spoken, and as I believe most people have, there was an inability existing, because of predisposition, to render what would be a fair, objective, and impartial judgment.

I yield the floor.

Mr. MORSE. Mr. President, will the Senator from Delaware yield just 1 minute to me? I do not want to reply at length; I want to make an announcement.

Mr. WILLIAMS of Delaware. If it will be only a minute——

Mr. LAUSCHE. Mr. President, I may need more time to reply.

Mr. MORSE. I have put in the RECORD the Board's report to the President. It is a complete rebuttal to the chain of non sequiturs which my friend from Ohio has committed, and completely corrects his false mathematics. There is no 8.8 percent involved in the case at all; the wage increase averaged 3.9 percent per year, the increase in total labor cost averaged 4.7 percent. There is no such figure by way of increases that the Senator has referred to. We have them all in the RECORD. The report speaks for itself. I offer it to the Senate, and rest my case.

THE ADMINISTRATION'S FINANCIAL ARRANGEMENTS WITH A MEMBER OF CONGRESS

Mr. WILLIAMS of Delaware. Mr. President, I wish to resume the statement for which I had obtained recognition about an hour and a half ago, at which time I said I wanted to reply to certain remarks which had been made by

a Member of the House of Representatives.

I have notified various Members of the Senate that I was going to do this. Those who are interested have been called, and they can be present if they wish.

First, I wish to discuss, briefly, the rules of the Senate. Rule XIX of the Senate provides:

No Senator in debate shall, directly or indirectly, by any form of words impute to another Senator or to other Senators any conduct or motive unworthy or unbecoming a Senator.

I recognize the necessity for such a rule. No Member of the Senate respects the rules of the Senate more than I do. The same applies to the rules of the House of Representatives.

However, in recent days these rules have been rather widely interpreted. For example, it has been said that it is a violation of the rules of either House for a Member of either House to refer to a Member of the other body even though that Member may have been involved in some questionable transactions involving the expenditure of Government money.

On the 7th of February, the Speaker of the House of Representatives, in answer to a parliamentary inquiry, as appearing on page 1985 of the RECORD of February 7, said:

The SPEAKER. The Chair will state that under the rules of the House, if a Member insists upon strict compliance, to mention the name of a Member of the other body is not consistent with the rules of the House. The rules of the House are different from the rules of the Senate.

Mr. President, with all due respect to the rules of the House, I do not believe that the impression should go out to the country that it is sacrilegious for any Member of either body to refer to a Member of the other body under any circumstances.

As evidence that I am not alone in holding that view, I call attention to the fact that on February 7, 1963, Members of the House of Representatives referred to Members of the Senate 25 times by name. Seventeen times the junior Senator from New York was referred to as Senator KEATING. On four occasions the junior Senator from Mississippi was referred to as Senator STENNIS. On four other occasions the Senator from Missouri was referred to as Senator SYMINGTON. Many times these were in a complimentary manner, but it emphasizes the point that such is done in the House.

It is not unusual for a Member of the Senate or for a Member of the House of Representatives to refer to a Member of the other body.

We find on page 1974 of the RECORD of February 7 that the Senator from New York was referred to three times by name. On page 1974 and page 1975 the Senator from Mississippi was referred to as Senator STENNIS, and the Senator from Missouri was referred to as Senator SYMINGTON four times each. These references were made by Members of the House just a couple of weeks ago.

Then on page 1975 a Member of the House referred to the junior Senator from South Carolina as Senator THURMOND. Again the Senator from New York [Mr. KEATING] was referred to twice by name.

On pages 1982 and 1984 another Member of the House referred to the junior Senator from New York eight times as Senator KEATING, and twice to the Senator from Mississippi as Senator STENNIS.

I merely point out that there is nothing unusual in referring to a Member of the other body, either with compliments or in a somewhat critical manner of some statement he has made.

That does not mean that we can or should resort to name calling; but we can state the facts, and if the facts constitute a charge that is the responsibility of the Member involved.

After all, a man's name is something of which he should not be ashamed. I am proud of the fact that my name has been mentioned several times in the House. I am not taking exception whether they be critical or complimentary. When I make some remarks in connection with some program I respect their rights to criticize.

Several years ago when the junior Senator from Wisconsin was receiving both praise and criticism he was referred to in one 5-week period 20 times by name during debate in the House. I merely point this out to emphasize that this is not a new procedure or that it is sacrilegious to mention even remotely a man's name in the discussion, whether he be a Member of the Senate or of the House.

And on occasions Members of the Senate take liberties, notwithstanding the rule. For example, it can be found in the CONGRESSIONAL RECORD, volume 104, part 7, page 8395, that one of my good friends in the Senate decided to refer to some of my remarks in a not very complimentary manner. I respected the right of this Member to express his opinion. But so too, the remarks that I made on February 5 were not in themselves anything unusual, and I, therefore, insist on my right to speak as I did. Nor am I withdrawing any of the charges that I made.

As one further example I cite a more recent case. On May 16, 1962, the senior Senator from Maryland [Mr. BEALL] criticized certain activities in conjunction with a Representative of the House of Representatives. The Senator from Maryland in his speech took strong exception to this gentleman's association with a building and loan association in Maryland. In his speech the Senator referred to the Congressman being criticized as Representative JAMES ROOSEVELT 17 times.

It should be pointed out that Representative ROOSEVELT is now one of Congressman POWELL's stanchest defenders.

I ask unanimous consent that this statement of the Senator from Maryland be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNSCRUPULOUS AND UNSTABLE SAVINGS ASSOCIATIONS

Mr. BEALL. Mr. President, I consider it my duty, as a U.S. Senator and one closely identified with warning the public about unscrupulous and unstable savings associations, to set the record straight. It would be wrong for me to keep silent when I have special knowledge on a subject about which the public may have formed the wrong impression.

Representative JAMES ROOSEVELT, chairman of the board of the now defunct Family Savings & Home Loan Association at the time I was investigating Family's questionable operations, was subpenaed by the Montgomery County, Md., grand jury looking into the savings and loan scandal. His appearance before the grand jury was on May 8, last week, and on the same day, May 8, in the early evening, he appeared on WTOP–TV, the Washington outlet for the Columbia Broadcasting System, to say that he had not received any payment "in any way" for his services. His exact words, on television, according to the transcript, were:

"Contrary to reports, I was not paid in any way for my services during those 60 days. But my investigation of circumstances of that business by an independent attorney and auditor produced what I thought was circumstances which unless changed required my resignation. I could not get them changed. Therefore, I immediately resigned."

As this statement followed so closely his appearance before the grand jury, we assume he told the grand jury that he "was not paid in any way" for his services.

Those words should be kept in mind as I make the following disclosures.

Let me briefly review the sequence of events.

On March 31, 1958, I took the floor of the Senate to state that I was deeply concerned about the operations of the Family Savings & Home Loan Association, whose advertising appeared to me to be misleading. Family was advertising that it was a member of the American Council of Independent Savings & Loan Associations, and I discovered that this so-called council was organized by the same men who operated Family, that the management of the two organizations was from the same desk. Family was advertising in big print that its accounts were insured up to $10,000, and then, in small print, "by American Savings & Loan Indemnity Co.," and I discovered that the address of this latter company was a letterdrop in the Republic of Panama, and furthermore, that it was operated by the very same men who ran Family. On the so-called indemnity company's letterhead, Toronto, Canada, was given as a branch office, but an inquiry brought us word from the Toronto Better Business Bureau that they were "unable to locate any such company in Toronto."

My concern grew for the people who were entrusting their life's savings with these people.

I posed a list of pertinent questions to Family's president, John Gregory Persian, which went unanswered.

I then asked the Senate Committee on Banking and Currency, of which I am a member, to look into the matter and take appropriate steps.

The policing of savings institutions is a State responsibility, and therefore not in the province of the Federal Government. However, matters connected with the Federal Home Loan Bank System are the business of the Federal Government and, therefore, I introduced an amendment to the Federal Home Loan Bank Act to prevent advertising by members of the Federal Home Loan Bank System which would tend to mislead the investing public and, although this would not affect the Family people—for they had been barred from this system—hearings on my bill would give us a chance to warn the public about Family. I could do this much.

I asked for hearings, and they were scheduled to be held by the Housing Subcommittee of the Banking and Currency Committee on July 24 and 25, 1958. Mr. Persian, Mr. Roosevelt, and Mr. Cohen were asked to appear for questioning. Messrs. Roosevelt and Cohen appeared and Mr. Roosevelt explained that he would speak for Mr. Persian.

He testified that the company's—Family's—advertising was honest and that the insuring company, the American Savings & Loan Indemnity Co., was in sound financial condition.

When asked how it happened that Family was the only company under the "protective wing" of the American Savings & Loan Indemnity Co., Mr. ROOSEVELT said that Family was the only company good enough to qualify. Here are his words, from the record:

"I should not disparage other companies and do not intend to, but it (Family Savings & Home Loan Association) is the only one that in our judgment we feel we want to recommend now."

May I insert, parenthetically, that this company, Family, which was so stoutly defended by its board chairman, has gone out of existence, its president, John Gregory Persian, has been indicted for grand theft, and its depositors are unable to get their money from the so-called insurer, despite all the protestations of soundness.

To show the interlacing of the companies and the fact that they were all run from the same desk, let us turn to page 91 of the committee hearings. My colleague, the distinguished Senator from Indiana, was questioning Mr. Sherman S. Cohen, attorney:

"Senator CAPEHART. You are the general counsel for the American Savings & Loan Indemnity Co., of Panama?

"Mr. COHEN. Yes, sir; I do serve as one of the attorneys for the American Savings & Loan Indemnity Co.

"Senator CAPEHART. Are you likewise general counsel for the Family Savings & Home Loan Association?

"Mr. COHEN. I am, sir.

"Senator CAPEHART. Are you the general counsel for the American Council of Independent Savings & Loan Associations?

"Mr. COHEN. I am one of the attorneys."

Now, what about Mr. ROOSEVELT's statement on May 8 that he had not received payment "of any kind" for his services?

Turn to page 29 of the printed hearings—Senator Capehart was questioning Mr. ROOSEVELT, as follows:

"Senator CAPEHART. Mr. ROOSEVELT, it is not quite clear to me whether you are appearing here today as the chairman of the board of the Family Savings & Home Loan Association in Maryland or the American council.

"Mr. ROOSEVELT. I am appearing here solely as the honorary president of the American Council of Independent Savings & Loan Associations. * * *

"Senator CAPEHART. And who is it that is paying you?

"Mr. ROOSEVELT. It is the Family Savings & Home Loan Association, which is chartered in Maryland.

"Senator CAPEHART. How much are they paying you?

"Mr. ROOSEVELT. Six thousand dollars a year.

"Senator CAPEHART. Six thousand dollars a year?

"Mr. ROOSEVELT. Yes, sir. I am chairman of the board."

Then turn to page 31:

"Mr. ROOSEVELT. I am not being paid for appearing before this committee. I am being paid as chairman of the board of the Family Savings & Home Loan Association, which is not appearing before this committee.

"Senator CAPEHART. Which is $6,000?

"Mr. ROOSEVELT. A year, but not for appearing before this committee."

Next, turn over to page 92. Mr. Cohen was being questioned. The transcript goes like this:

"Senator CAPEHART. If you will yield just a moment, Mr. ROOSEVELT testified yesterday it was 5 to 6 weeks ago he was placed on the payroll and made chairman of the board.

"Mr. COHEN. He received his first paycheck.

"Senator CAPEHART. He has already been paid?

"Mr. COHEN. Yes.

"Senator CAPEHART. How much has he been paid?

"Mr. COHEN. Whatever the pro rata salary has been. He has received his pay from that point on as chairman of the board of the association."

So, according to testimony by Mr. ROOSEVELT and Mr. Cohen before the committee, Mr. ROOSEVELT was paid for his services, and he was paid by Family Savings & Home Loan Association. And yet he stated on the television program last week that he had not been paid in any way.

Mr. President, I, for one, would like to know which of the statements are true and which are false. Was our committee being deceived? Or was the grand jury being deceived?

In these remarks I am sticking to the official record. If we go a little further and believe a news account appearing in the Washington Post of May 9, then still another account must be taken into consideration. According to the newspaper article, Mr. ROOSEVELT told a reporter that he received a total of $3,000, half-a-year's salary, not from Family, but from the council, one of the three outfits run by Messrs. Cohen and Persian. It would not make any difference as to which company his pay came from inasmuch as all three were run from the same desk and by the same men.

However, if his pay came from the council, then his testimony before our committee was false, for he said, "It is the Family Savings & Home Loan Association," when asked "Who is it that is paying you?"—page 29 of the July 24, 1958, hearings.

I understand from the newspaper account that Mr. ROOSEVELT said last week that he was with Family only 60 days, for he found it was dishonest, but that he continued with the council for 6 months and was paid for 6 months. There are two things wrong here: First, had he suddenly found dishonesty, he surely would have exposed it at once; did he not owe that to the poor depositors whom he must have known would lose their savings? And second, after finding dishonesty, why would he continue with the same men 6 months?

While I have the floor, I wish to point out one other matter. Despite my original warning to the public—later emphasized by the committee hearings, in which my colleague, Senator Capehart, took an active part—some people continued to deposit their savings with Family—and millions went down the drain.

Senator Capehart and I were concerned for the safety of the deposits, and we questioned Mr. ROOSEVELT and Mr. Cohen closely about the insurance.

Going back to the record now: In answer to my question, we had been told that the insurance company had over $4 million in assets. We were also given a superfluous and distracting little lecture on the virtues of small business. Here is the way the questions and answers went:

"Senator BEALL. I do want to say, Mr. Chairman, I agree with Mr. ROOSEVELT very emphatically that we want small business to be protected, but only when they are not taking advantage of the investing public. You stated that you were appearing here for the American Council of Independent Savings & Loan Associations, and you favor sound insurance. Can you tell me the soundness of the insurance of the members? You said they did have $4 million available?

"Where is this $4 million on deposit in Maryland?

"Mr. ROOSEVELT. Mr. Cohen, do you want to answer that?

"Mr. COHEN. Yes. It is the offices in Silver Spring, Md.

"Senator BEALL. In the company's offices, the Family Savings & Home Loan Association offices?

"Mr. COHEN. Yes.

"Senator BEALL. Not in any bank or safety vault except your own?

"Mr. COHEN. Yes, sir.

"Senator CAPEHART. Are you saying the assets of this indemnity company that insures these accounts is in the offices of and under control of the Family Savings & Home Loan Association, whose accounts they are insuring? Is that what you just said?

"Mr. COHEN. No, indeed; and I would not have the record contain that information. The records of ownership of these assets, however, are temporarily in the offices of the savings and loan association in Silver Spring.

"Senator CAPEHART. In other words, the Family Savings & Home Loan Association in Maryland has the same domicile as the American Savings & Loan Indemnity Co.?

"Mr. COHEN. No, indeed. The only offices of the American Savings & Loan Indemnity Co., Senator, are in Delaware.

"Senator CAPEHART. He asked you the question where the $4 million worth of securities were domiciled or housed, and you said they were housed at the place of business of the Family Savings & Home Loan Association.

"Mr. COHEN. I would be as clear as you would have made me be, Senator.

"Senator CAPEHART. Is that true?

"Mr. COHEN. That is where they are housed. The evidence of ownership is housed temporarily.

"Senator CAPEHART. Who has control of them at that particular location?

"Mr. COHEN. Obviously the officers of the insurance carrier would have control of it.

"Senator CAPEHART. Does the president of the Family Savings & Home Loan Association have a key to the safe deposit box they are in?

"Mr. ROOSEVELT. That I will have to find out."

Mr. President, he must have had the key; I have heard, though I have not the exact figure, that Mr. Persian had around $30,000 in cash on his person when he was apprehended by police officers while trying to run away.

I do not want to close these remarks without reiterating that I have utmost respect for the great majority of savings-and-loan associations. It is too bad that a few bad ones here and there have appeared, but by the rooting out of the bad ones, the good ones will greatly benefit in the long run. When I exposed "Family" and a couple of other bad ones—an action followed by litigation against several bad ones by the Post Office Department and the Department of Justice—I made it clear that the great majority of savings-and-loan associations throughout the Nation are complying with the law and are making a major contribution to the Nation's social and economic well-being.

Mr. WILLIAMS of Delaware. Mr. President, I point this background of precedents because as we approach a discussion of the activities of any Member of Congress, while we should be careful, at the same time we must respect the right of a Member of Congress to criticize any expenditure of Federal funds.

After my remarks of February 5, a Member of the Senate on the other side

of the aisle called my attention to my reference to the gentleman by name, and I obligingly agreed thereafter to refer to him as one of his good friends. Out of respect to my colleagues, I shall today refer to this gentleman as a close friend and protege of the Kennedy administration. In my remarks I called attenion to certain financial transactions which I thought needed correcting. I shall speak about the impropriety of the expenditure of certain Government money. Yesterday Representative POWELL—I am sorry, Mr. President, I ought to say this close personal friend of the Kennedy administration——

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MANSFIELD. Was not the gentleman in question also a close personal friend of the Eisenhower administration?

Mr. WILLIAMS of Delaware. He was at one time, to my regret; yes. [Laughter.] At that time a question was raised about certain activities wherein a charge was made with respect to certain payments having been made in return for political support. As long as this matter has been brought up, I shall ask to have printed in the RECORD a speech which I made on the subject at that time. These statements were made in 1960, and the charges were to the effect that this gentleman had accepted certain payments for his political support. They were not my charges. The allegations which I put in the RECORD named the men who allegedly made those payments. At that time I took the position that the Senate had the responsibility of investigating those charges, of payments involving an election. I also submitted a resolution asking for such an investigation. I was very much disappointed that nothing was done about it and that the resolution was merely referred to a committee and buried. I believe we should be fair in all of these matters and let the criticism fall where it may. Therefore, I ask unanimous consent that my statement of May 4, 1960, be printed in the RECORD at this point.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

INVESTIGATION OF CERTAIN ELECTION CHARGES

The Senate resumed the consideration of the resolution (S. Res. 285) to authorize an investigation of certain election charges.

Mr. JOHNSON of Texas. Mr. President, on the question of agreeing to my motion to refer Senate Resolution 285, submitted by the Senator from Delaware [Mr. WILLIAMS], to the Committee on Rules and Administration, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. JOHNSON of Texas. Mr. President, in view of the circumstances, I suppose we shall now have to proceed to debate this question.

Mr. WILLIAMS of Delaware. Mr. President, this resolution was submitted on March 8, and it was placed on the Senate Calendar on March 11.

The purpose of the resolution is to authorize an investigation of certain serious charges which appeared in the press as of that time, wherein both political parties were charged with election irregularities. These charges appeared in the Washington Post on March 4, March 5, and March 7, in three articles. I felt that the charges were so serious that they could not be overlooked.

If these charges are true, not only do they represent a flagrant violation of our existing election laws but also they would represent a new low in politics.

At a time when we have spent weeks debating the right of every American to vote, certainly Congress can give some time insuring that this right, once given, is not abused.

In these articles, there are two very serious charges:

First, there is the charge that the question of whether or not to prosecute an alleged income-tax violation was being decided not upon the merits of the case but rather upon the willingness of a taxpayer to change his political party affiliation.

Second, there are charges that responsible men offered, and that the person accepted, payments of $50,000 to $100,000 in return for his political support to certain candidates in the 1956 and 1958 elections.

Both the offering and the accepting of bribes for political support are violations of our existing laws; it is likewise a violation of our laws for any decision regarding the prosecution of a tax case to be made contingent upon political support.

In submitting the resolution at that time, I emphasized that I was not expressing any opinion as to either the accuracy or the inaccuracy of the charges. I merely pointed out that the charges had been made and that in view of their serious nature they could not be ignored.

If they are true, the guilt of those responsible should be established and dealt with accordingly.

If not true, then those against whom the charges are made are entitled to a complete retraction, and those who made and those who printed the charges should be held responsible.

Since this Congress reconvened in January, the Senate spent nearly 3 weeks debating and passing Senate bill 2436, the sole purpose of which was to guarantee cleaner elections.

For 3 weeks we held long and sometimes continuous sessions in debating the merits of a bill, one purpose of which is to guarantee to every American citizen the right to vote.

Yet we now have before us a serious charge that the voting rights of the same people about whom the Justice Department and the Congress are expressing so much concern may have been bought and sold in wholesale lots during the recent elections.

Here is a chance for the Senate to demonstrate the sincerity of its interest both in cleaner elections and in the voting rights of American citizens.

The resolution was sent to the desk under the usual parliamentary procedure of the Senate, and it is now pending on the Senate calendar. A few moments ago upon a motion of the Senator from Texas it was made the pending business of the Senate. The Senator from Texas is now going to make another motion to send it to the committee, which action if approved means the defeat of this resolution. Those who support my position that these charges should be investigated should vote against the motion to commit.

Mr. President, I am not in favor of the motion of the Senator from Texas to refer the resolution to the Committee on Rules and Administration because I think the Senate has a responsibility to conduct an investigation on these very serious charges. However, if his motion is modified by including a provision that the committee be instructed to report the resolution to the Senate within 10 days, or 30 days, or even by June 10 in order to give the Senate time to act on the resolution at this session then I will support it. If the motion of the Senator from Texas is agreed to without such a modification; that is, if the resolution is just sent back to the committee without instructions, then the resolution is as good as dead. It could remain in the committee indefinitely and could be buried there so that the Senate would never hear of it again. This is our only chance to vote for an investigation of these charges.

Mr. President, I ask unanimous consent that the three articles to which I have referred and which include these charges be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

"[From the Washington Post, Mar. 4, 1960]

"POWELL PROSECUTION DELAY STRANGE

"(By Drew Pearson)

"One of the weird ironies of the civil rights battle is the paradoxical friendship of the civil rights author, Attorney General William Rogers, with the civil rights bitterender from Mississippi, Senator JIM EASTLAND. Believe it or not, they are quite cozy.

"Furthermore, EASTLAND, who occupies the potent position of chairman of the Senate Judiciary Committee, has protected his friend, the Attorney General, from any Senate investigation of his Justice Department.

"One of the strange operations inside the Justice Department which other Senators would like to investigate is the reported protection of New York's most spectacular Congressman, ADAM CLAYTON POWELL, of Harlem, in regard to income-tax evasion. POWELL saw two of his secretaries convicted and a third indicted. That was about 5 years ago.

"Meanwhile, there have been mysterious delays regarding the Congressman's own income-tax case. It has dragged on for months. Finally, almost 3 years after his secretaries got into trouble, Assistant U.S. Attorney Thomas A. Bolin, in New York, in charge of the Powell grand jury, let it be known that on March 18, 1957, he had received word from the Justice Department in Washington to abandon the grand jury investigation.

"Bolin was further asked to write a letter to Attorney General Rogers—the friend of 'Big Jim' EASTLAND—advising him that the case should be turned over to the Treasury—which meant a compromise with no prosecution. This Bolin refused to do, and a runaway grand jury subsequently indicted POWELL.

"The inside story

"But what Senators would like to know is what happened inside the White House to delay POWELL'S prosecution for what is now approximately 5 years. Since EASTLAND'S Senate Judiciary Committee won't investigate, this column can now reveal the story.

"During Ike's 1956 reelection campaign, the handsome Harlem Congressman, long a Democrat, wrote Vice President Nixon that he might switch to the Republicans. As a result, Max Rabb, secretary to the Eisenhower Cabinet, went to New York, and arranged to bring POWELL to the White House, where with much flashing of photo bulbs, it was announced that POWELL was now for Ike. He urged all Negro Democrats to switch.

"Inside the White House, and before the press conference, the terms of POWELL'S deal, were worked out with Sherman Adams, Rabb, and Charley Willis, the former White House assistant and son-in-law of Harvey Firestone.

"POWELL produced a list of his outstanding financial obligations including the estimated cost of his own reelection, totaling $50,000, which he said he wanted paid in advance. In addition he wanted other expenses paid, including a room at the Waldorf and an apartment in the Middletowne Hotel on East

48th Street, next to the swank Eden Roc Club.

"Finally Powell took up with Adams and Rabb his income tax problems. It would look very bad, he said, if he was indicted during the campaign. So Adams agreed to discuss the matter with the Attorney General with a view to having the grand jury proceedings dismissed.

"The Congressman tried to drive a further bargain and asked that his secretary, Acy Lennon, be let off. However, since Lennon was already indicted, this was considered too risky.

"Ike's aids also agreed to retain counsel for POWELL and to pay his counsel fees immediately. They engaged Boris Berkowitz.

"Sealed and delivered

"All this was firmly sealed and agreed upon before the mercurial Congressman from Harlem went in to see President Eisenhower and announce his dramatic switch to the Republicans.

"Thereafter headquarters for POWELL'S switch-Negroes-to-Ike drive were set up in the Hotel Marguery, 270 Park Avenue, in midtown Manhattan. Charley Willis was placed in charge of raising a budget of $100,000, which was guaranteed by the Republican National Committee.

"Life for the switch-Negroes-to-Ike drive, however, was not easy. About this time, Hazel Scott, the Negro singer who had married POWELL, was threatening divorce and intimating that she would name various girls as correspondents, some from well-known white families.

"Berkowitz, was immediately sent into action. He arranged a settlement and Hazel Scott went to live in Paris until the election was over.

"POWELL'S GOP campaign managers breathed easier and proceeded to stage an open house at committee headquarters. It was a mad opening—typically ADAM POWELL—featuring an interracial set of so-called models to act as hostesses.

"That's just part of the story of how the Congressman from Harlem went to bat for the Republicans in return—supposedly—for favorable income tax treatment."

"[From the Washington Post, Mar. 5, 1960]

"DE SAPIO OUTBIDS GOP WITH POWELL

"(By Drew Pearson)

"NEW YORK.—When Acy Lennon, assistant to Representative ADAM CLAYTON POWELL, of Harlem, went to the Federal penitentiary in Danbury for tax evasion, he weighed 325 pounds. When he came out of Danbury in the fall of 1958 he weighed only 250 pounds. His clothes didn't fit.

"So during a visit to Carmine DeSapio, boss of Tammany Hall, Acy was handed $1,000 by DeSapio to buy some new clothes. The two also talked politics, especially the question of whether the handsome Harlem Congressman who had bolted the Democrats for Eisenhower and Nixon, would return to the fold and support Governor Averell Harriman in his hot race against Nelson Rockefeller.

"The election looked very close and the Negro vote was needed. So after considerable conversation, Acy reported back to Congressman POWELL that Tammany would pay him $100,000—$50,000 down and $100 a week over a 10-year period—if he would support Harriman against Rockefeller.

"In addition to Acy Lennon was to receive $5,000 from ADAM for negotiating the deal, plus a promised $5,000 from Carmine at the rate of $100 a week.

"GOP less generous

"This offer was more generous than that which the Republicans had worked out with Congressman POWELL during Ike's 1956 reelection campaign when POWELL stood on the steps of the White House after visiting Ike and urged Negro voters to support Eisenhower and Nixon. At that time he received $50,000 for expenses, plus various fringe benefits, the aid of an attorney, and a promise that the Attorney General would be asked to call off the grand jury probing his income tax case.

"However, earlier in the 1958 New York election year, Congressman POWELL had made a commitment to the Republican leader of Harlem, Harold Burton, that he would run for Congress on the Republican ticket. POWELL made this commitment at the time when Tammany was determined to punish and defeat him for switching to Ike in 1956.

"So POWELL took out political insurance against possible defeat in the Democratic preliminaries by signing up, also, as a Republican.

"Tom Curran, Republican county leader, didn't like this at all. He warned Burton that he would be doublecrossed.

" 'But POWELL is a man of God,' replied Burton, referring to the Congressman's weekly sermons at the Abyssinian Baptist Church, largest in the world. 'He can be depended upon to keep his word.'

"Later, however, when word leaked back to Republican circles that POWELL might be flirting with Tammany, they began to get jittery. Burton sent for Fred Weaver, a Powell aid, and both of them went to see Charlie Willis, former assistant to Sherman Adams and a top Republican money raiser. All were anxious to keep POWELL on the GOP side in the red-hot race between Harriman and Rockefeller.

"Fifty thousand dollars offered

"So word was sent to the Congressman, then relaxing in Puerto Rico, that $50,000 was available in cash if he, POWELL, would endorse the Republican ticket.

" 'I don't trust Willis,' the Congressman replied. 'He told me earlier that he would give me $50,000 to help in my primary and my legal expenses, and when I sent Bill Hampton down to pick it up, Willis said "ADAM has just attacked Eisenhower in the New York Times, so the deal is off. I have nothing for him."

" 'You tell Willis,' POWELL continued, 'that the price is going to be higher this time, and this time I want the money paid in front.'

"POWELL went on to explain that if he ran as a Republican he would be finished politically and would need more than $50,000 for future financial security. He said he might have to be made vice president of some public relations firm at a salary of about $50,000 a year for 10 years.

"All this took place before Carmine DeSapio came up with his offer of $100,000 through POWELL'S convicted assistant, Acy Lennon. Finally POWELL accepted it. But first he exacted some fringe benefits. One of the fringe benefits consisted of a pledge that Governor Harriman would urge Speaker Sam Rayburn to see that POWELL became chairman of an important subcommittee in Washington. He also exacted the promise of several jobs for his associates and some Federal housing for one of his secretaries' real estate ventures.

"It was then agreed that ADAM would obtain interviews with Rockefeller, Harriman, and other candidates, weigh their positions on civil rights, and, after careful deliberation, announce for Harriman.

"Thus the stage was set for the next big political reversal in the life of ADAM CLAYTON POWELL."

"[From the Washington Post, Mar. 7, 1960]

"ONE-HUNDRED-THOUSAND-DOLLAR OFFER WON POWELL OVER

"(By Drew Pearson)

"NEW YORK.—When a runaway grand jury on May 8, 1958, finally indicted Congressman ADAM CLAYTON POWELL, of Harlem, for tax evasion, despite attempts by the powers that be in Washington to protect him, he used the steps of the Federal Building in New York to launch a drive for funds for his legal defense.

"Posing for the newsreels, he accepted a $500 check from Dr. McKinley Wiles, a Harlem physician. And speaking from the pulpit of the Zion Baptist Church in Brooklyn, where more money was collected, POWELL said:

" 'What a mess our Government has got into with ADAM POWELL, and for the tremendous sum of $1,600.'

"And following the announcement by Tammany's leaders in Harlem that he would not be renominated for Congress as a Democrat, POWELL announced:

" 'Thank God I got rid of Tammany Hall. I'm going to fight them as a Democrat. I'm going to run candidates in every area where there is a concentration of Negroes and Puerto Ricans in all five boroughs.'

"A twinge of remorse

"It was just 6 months later that after promising Harlem Republicans he would run on the Republican ticket, POWELL began exploring ways by which he could justify a switch back to Tammany and the support of Gov. Averell Harriman against Nelson Rockefeller.

"Justification took the form of interviews with the leading candidates running in the crucial New York State election as to who would do most for civil rights. He saw Rockefeller, candidate for Governor; Louis Lefkowitz and Peter Grotty, running for attorney general; and Frank Hogan and Representative KENNETH KEATING, running for the U.S. Senate. He told each Republican he couldn't support him.

"KEATING he really wanted to support because KEATING had led the civil rights battle in the House of Representatives. And Lefkowitz, as attorney general, had made personal tours of the polling places in the previous election to keep the Democrats from stealing POWELL'S votes.

"Nevertheless, under his agreement with DeSapio, POWELL was obligated to tell these men that in order to preserve his seniority in Congress he must desert them.

"When word of this got back to Harold Burton, Republican leader of Harlem who had agreed to put POWELL on the Republican ticket he was furious. And when POWELL refused to see him, Burton staged a giant outdoor rally around the corner from the Congressman's Abyssinian Baptist Church, at which he accused POWELL of a doublecross and called upon the congregation to renounce him as unworthy to be their pastor.

"Earlier that day, October 7, the mercurial Congressman from Harlem had proceeded to fulfill his promise to DeSapio that he would call a press conference and issue a statement previously OK'd by both DeSapio and Governor Harriman. Carmine had stipulated that this must be done before he would deliver any of the promised expense money.

"So after POWELL issued his statement and after Harriman and DeSapio issued one in return appointing him cochairman, with former Secretary of the Air Force Tom Finletter, of the Harriman-Hogan campaign, Acy Lennon was sent to DeSapio's Hotel Biltmore headquarters to collect $50,000.

"A lot of $50 bills

"He brought the money back to POWELL, all in $50 denomination. The remaining $50,000 was to be paid at the rate of $100 a week over 10 years.

"POWELL then gave Acy the $5,000 he had promised him for negotiating the deal. Ray Jones, POWELL'S treasurer, was given $7,500, supposedly for reimbursement of money he had advanced in POWELL'S primary. Joseph Overton, a business agent of the Grocery Employes Union, president of the local

NAACP, and comanager of POWELL's campaign, was given $2,500 for money advanced. Reuben Patton, salesman for Burke Motors, who had loaned POWELL a Buick station wagon, got $500, while Fred Weaver, an assistant to POWELL, was given $50 because he happened to be present.

"Shortly thereafter, the Congressman told his church congregation how Charlie Willis, former assistant to Eisenhower, had offered him $50 000 of Republican money.

"'I told him,' POWELL shouted 'that no man can buy ADAM POWELL. I belong to my people.'

"The congregation stamped their feet, clapped, and waved their handkerchiefs.

"What he didn't tell them was that he had taken $50,000 from Willis in 1956 and a $100,000 package from Tammany Democrats in 1958.

"And on almost any Friday if you're down at the Biltmore Hotel in the late afternoon you'll see Acy Lennon, convicted secretary to Congressman POWELL, coming down to Carmine DeSapio's headquarters to collect that $100 a week which is part of the $100,000 deal and is still being paid."

Mr. WILLIAMS of Delaware. Mr. President, I wish to call particular attention to a specific charge in the articles that an individual had his support solicited by one of the political parties, and that in connection with the question of whether his support would be given or would be withheld, he was promised $50,000 for expenses, the aid of an attorney, and that the Attorney General would be asked to call off the grand jury probe of his income-tax case.

Any suggestion that the question of a man's political affiliation was considered in making a determination as to whether or not his tax case should be prosecuted is serious, and I cannot understand the Senate's apparent willingness to let this charge go unchallenged here today.

That is one of the charges involved concerning irregularities in the 1956 national election.

The charge is made that this same man was approached again in the 1958 election and offered another $50,000 by certain politicians. Later, allegedly, that offer was raised, and $100,000 was agreed upon as the payment that would be made for the support of this individual in the National or State election.

This is a direct charge that the offer not only was made but was accepted. The man making these charges went further and said $50,000 of the payment was made in bills of $50 denomination. The payment was described. When it was paid, who was present at the time of the payment, and the final distribution of the money is even given.

The charge is made that an additional $50,000 is still being paid at the rate of $100 a week to this same man. These charges are specific, and their accuracy or inaccuracy can easily be established.

Mr. President, these charges do not involve the election of a Member of the House, as has been claimed by opponents of this investigation. The election of a particular Member of the House of Representatives is in no way involved in this charge. It goes far beyond the conduct of one individual. This is a charge of improper activities in connection with a national election, and as such clearly comes under the jurisdiction of either the House or the Senate.

It is true that one individual involved happens to be a Member of the House of Representatives, but at least four or five other individuals are also involved. Under the law, it is just as serious a crime to arrange for the payment of a bribe as it is to accept a bribe.

Therefore, this charge goes beyond that of any one individual, whether he be a Member of the House or of the Senate. It also raises a serious charge as to the propriety of certain actions in the Department of Justice. If this charge is true and if there was any consideration or any change in the plans of the Department of Justice to prosecute this case resulting from a conference as to which political party the man supported, that was wrong. It should be exposed and dealt with accordingly. And I know of no more fitting place for such an investigation to be conducted than by the established committee of the U.S. Senate which has charge of investigations of irregularities in elections. Why does anyone oppose this investigation? Of what are we afraid?

If the Senate approves the motion of the Senator from Texas to refer it to committee without any instructions either to investigate the charges or to report the bill to the Senate later for another vote, it in effect kills all chance for the investigation. This resolution not only authorizes the Subcommittee on Privileges and Elections of the Committee on Rules and Administration to conduct the investigation but directs it to conduct the investigation and to report back to the U.S. Senate with its findings not later than January 31, 1961.

We in the Senate are in this position: Either we are going to investigate these charges and establish their accuracy or inaccuracy, or we will send the bill to the committee for pigeonholing. We must not forget the statute of limitations is running on these charges. Unless we act now there will be no chance for prosecution in the event there later should be established any degree of guilt.

Personally, I do not think the Senate can afford to ignore these very serious charges of irregularities involving the elections of 1956 and 1958. I recognize that these charges involve officials and members of both political parties, but is that any excuse for our refusing to investigate them?

I shall ask for a record vote on the motion of the Senator from Texas.

First, I should like to address myself to the Senator from Texas and ask him if he would modify his motion and agree to include instructions to the committee to report back by June 1, let us say. If so I will not oppose his motion. If not I must resist the motion because for the Senate to adopt the straight motion to strike this resolution from the calendar and send it to the committee without any instructions either to investigate the charges or to report it back to the Senate by a specified date would be the defeat of the resolution.

Mr. JOHNSON of Texas. I answered that question before this debate began. I do not think we have any superior knowledge of the matter. I see no reason why the Senate should be snooping around trying to judge the qualifications of Members of the House of Representatives.

I think this is a very serious matter, and I do not want to act unless and until the Senate Rules and Administration Committee makes its recommendations. If that committee, which is composed of some of the ablest, wisest, and best lawyers in this body, feels it is a proper matter to go into and will serve a purpose other than that of mere publicity, I am sure the committee will make that record. But I am not willing to say to them, "We are going to put you in a straitjacket and tell you when to meet, how to meet, how to report," and so forth. I am willing to refer the matter to a regular committee, as any other matter should be referred, in the regular way, and then entrust it to the judgment, honesty, patriotism, and integrity of the Rules and Administration Committee.

I do not think I need to say any more than I have. So far as I am concerned, I am prepared to yield back the time, suggest the absence of a quorum, and let the Members of the Senate decide what they want.

Mr. WILLIAMS of Delaware. In the light of the position of the Senator from Texas I have no alternative but to oppose his motion. If we are successful in defeating the motion the next question would be on the adoption of the resolution itself, which would then authorize the Rules Committee to proceed with the investigation.

I shall not delay the Senate any longer. We are all familiar with the charges. Either we are in favor of the investigation, or we are against it. The propriety of the election of a Member of the House of Representatives is in no way involved in these charges.

A few months ago the Senate passed a clean elections bill. The Senate must decide now whether we really want clean elections.

Mr. WILLIAMS of Delaware subsequently said: Mr. President, I ask unanimous consent that immediately following my earlier remarks on Senate Resolution 285, and prior to the vote by which the Senate defeated the resolution by sending it back to the committee, the text of the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

"Resolved, That the Committee on Rules and Administration, or any duly authorized subcommittee thereof, is authorized and directed under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of the charges, with a view to determining the truth or falsity thereof, which have recently appeared in the public press that certain persons have sought, through corruptly offering various favors, privileges, and other inducements (including large sums of money), to induce certain individuals to lend their political support to one political party rather than to another, or to become candidates of one political party rather than of another, and that the offers made by such persons have in fact corruptly induced certain of such individuals to change their political affiliations or to lend their political support to one political party rather than to another.

"SEC. 2. The committee shall report its findings, together with its recommendations for such legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1961.

"SEC. 3. For the purpose of this resolution, the committee, from the date on which this resolution is agreed to, to January 31, 1961, inclusive, is authorized (1) to make such expenditures as it deems advisable, and (2) to employ on a temporary basis technical, clerical, and other assistants and consultants.

Mr. WILLIAMS of Delaware. I shall get back to the statements of the Representative from New York as made yesterday. First, I wish to refer to the statement made by the Attorney General of the United States, Mr. Robert Kennedy, in which he called the $250,000 juvenile delinquency project, which had been set up in Harlem, as "very valuable." I do not know how valuable it is. I have been trying for 30 days to find out how the money spent has been used. I have been unable to find out. I am advised that an audit has been made, and I was given to understand 2 weeks ago that I would get a copy of the audit. I am still waiting for it. I have thus far been unable to obtain any report. Perhaps an examination of the audit will show that this project has been a glowing success; on the other hand, it may not have been as successful as some might

think. In any event I question the propriety of having made a $250,000 grant to any Member of Congress or to one of his controlled companies.

I raised the question as to the propriety of granting $250,000 to an organization 8 days after the organization had been organized. It was an organization which was formed by a Member of the House of Representatives. This money was taken from a fund which had been established by Congress under the Juvenile Delinquency Act. As an explanation I was advised that it was made for the purpose of establishing a domestic peace corps in New York.

That is the excuse given for having made this $250,000 outright grant to the Congressman's company.

But the point is that Congress has not yet approved a domestic peace corps.

In my first inquiry about this subject I was just seeking information. My letter of January 21, 1963, to the Secretary of Health, Education, and Welfare, Mr. Celebrezze, does not mention any name except that of the company. I should like to read my letter. I think it is important. I was not questioning the activities of another Member of Congress:

JANUARY 21, 1963.

Hon. ANTHONY J. CELEBREZZE,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

MY DEAR MR. SECRETARY: I am writing in regard to certain newspaper articles which have appeared recently dealing with a pilot project for the proposed domestic peace corps.

One article to which I have reference indicates that the Department of Health, Education, and Welfare has made available to an organization known as Associated Community Teams, Inc., the sum of $250,000 as a grant which is to be used in a project in New York City which would determine the feasibility of establishing a domestic peace corps.

I would appreciate having your confirmation or denial of these reports and any comments you would care to make on them. If the report above is essentially accurate, I would further appreciate having information concerning the organization, the officers, and the principal stockholders of Associated Community Teams, Inc., specifically where it is located and plans to conduct its experiment, under what provision of law it is eligible for a Federal grant of $250,000, what provisions are made for a full accounting to the Department of Health, Education, and Welfare of the use of these funds, and any other pertinent information regarding this organization which you may have.

Yours sincerely,

JOHN J. WILLIAMS.

Mr. President, I repeat—I did not mention the name of anyone in that letter. I was merely asking for information concerning a report that a certain company had been allowed $250,000 to establish a peace corps in New York City. A reply to my letter was received under the date of February 1, 1963, as follows:

SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., February 1, 1963.

Hon. JOHN J. WILLIAMS,
U.S. Senate, Washington, D.C.

DEAR SENATOR WILLIAMS: This is in response to your letter dated January 21, 1963, regarding a Federal grant of $250,000 to Associated Community Teams, Inc.

Enclosed is a statement by Bernard Russell, special assistant to the Secretary, which should clarify your questions as well as those raised by Mr. Davenport on the telephone.

Thank you for your interest in this program. If I can be of any further help to you, please feel free to call upon me.

Sincerely,

IVAN A. NESTINGEN,
Acting Secretary.

All of this correspondence was placed in the RECORD on February 5, 1963. I shall not read the entire attachment, but I shall quote one paragraph:

The incorporators of Associated Community Teams, Inc., are the following five people: Adam Clayton Powell, Congressman, minister; Livingston L. Wingate, associate counsel for labor-management, Committee on Education and Labor; David D. Jones, deputy commissioner of correction; Jawn A. Sandifer, attorney, civic leader; and Jose Ramos Lopez, assemblyman, New York City.

Mr. President, I now ask unanimous consent that the attachment to this letter of February 1 be printed at this point in the RECORD.

There being no objection, the attachment was ordered to be printed in the RECORD, as follows:

REPORT ON ASSOCIATED COMMUNITY TEAMS, INC.

(By Bernard Russell, special assistant to the Secretary for juvenile delinquency)

Associated Community Teams, Inc., first submitted an application on May 15, 1962. The project director at that time was a highly respected social scientist, Dr. Robert MacIver. The application was withdrawn after consultation with staff since it overlapped with another project in Harlam. The proposal was then redrawn requesting a grant "to sponsor in the central Harlem community the development of (1) a domestic peace corps, and (2) an urban service corps program as an outgrowth of the domestic peace corps. This will require the development of a program for the effective training of professional and lay personnel who will be competent to design and conduct the several programs involved in the domestic peace corps concept. The urban service corps is conceived as an evolving phase of the domestic peace corps, in which peace corps trainees would eventually gain the skills and competence for supervising youngsters recruited into the urban service corps." This proposal was reviewed by a technical review panel composed of experts outside of Government who recommended approval. The grant was approved on August 1, 1962.

The incorporators of Associated Community Teams, Inc., are the following five people: Adam Clayton Powell, Congressman, minister; Livingston L. Wingate, associate counsel for labor-management, Committee on Education and Labor; David D. Jones, deputy commissioner of correction; Jawn A. Sandifer, attorney, civic leader; and Jose Ramos Lopez, assemblyman, New York City.

Attached is a list of the board of directors who elect their own officers. The officers are Mr. Andrew Tyler, president; Miss Evelyn Cunningham, secretary; and Mr. David Jones, treasurer.

Associated Community Teams, Inc., has offices at 179 West 137th Street in New York City. They were awarded this grant under Public Law 87–274, section 4.

Accounting reports on projects under this program are required to be filed at the end of each year's experience, or within 3 months after expiration of the grant, whichever comes earlier.

An audit is being conducted at this time on the grant issued to Associated Community Teams, Inc., which is part of an interim audft we are conducting for all our projects.

Mr. WILLIAMS of Delaware. Mr. President, this was the first time in the colloquy that the name of Representative POWELL appeared. I was merely reading it from the letter. It appeared here because the gentleman was a member of the company which had received the $250,000 grant. It was in commenting upon his association with this company which received the $250,000 grant that I made the statement that I did not think he was the kind of man whom I would choose to head a juvenile delinquency program. That is still my opinion.

Mr. MANSFIELD. Mr. President, will the Senator from Delaware yield? I should like to make a parliamentary inquiry, if I may do so, with the consent of the Senator.

Mr. WILLIAMS of Delaware. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, at page 265 of the manual entitled "Senate Procedure," the following statement appears in the fifth full paragraph:

It has been held out of order for a Senator to make references to Members of the House——

Mr. WILLIAMS of Delaware. Mr. President——

Mr. MANSFIELD. The next phrase reads—I am sure the Senator would wish me to keep the continuity—"to refer to a Member of the House by name."

My question is—and I ask this question in my present capacity for clarification: Is the reference to "to refer to a Member of the House by name" out of order?

The PRESIDING OFFICER (Mr. BAYH in the chair). The Chair respectfully submits that, according to rule XIX of the Senate, the point which the majority leader raises is not mentioned; that the subject covered in his question to the Chair has been a matter of discretion with the Presiding Officer at the specific time in question. Unless a point of order is made by the majority leader or any other Member of the Senate, the Chair will not call to order the Senator who is speaking in the Senate.

Mr. WILLIAMS of Delaware. Mr. President, I do not think the reading of a Member's name as it is included in an agency's letter is out of order. Otherwise, I do not know how my question to the Secretary could have been answered, as to who were the incorporators or the directors of the corporation.

However, if the Senator from Montana prefers that the name of the Member not appear in the RECORD, I ask that wherever the name of the——

Mr. MANSFIELD. Mr. President, will the Senator from Delaware stop right there?

Mr. WILLIAMS of Delaware. Yes, I will stop.

Mr. MANSFIELD. All I wanted was clarification. I have it.

Mr. WILLIAMS of Delaware. Thank you. I think it would be better to leave it as it is.

I assure the majority leader that I will abide by the rules of the House and the rules of the Senate, just as they are abided by in the other body.

In my earlier remarks I referred to the Member of the other body only as a gentleman and as a very close friend of the senior Senator from Oregon [Mr. MORSE]. Later, when the Senator from Oregon thought I was stressing that friendship too much, out of deference to him, I asked that the RECORD show otherwise. So I am referring to the individual today as a friend of the Kennedy administration.

Mr. MANSFIELD. Of two administrations.

Mr. WILLIAMS of Delaware. He is a friend of almost anybody who will give him something. I will say that.

Mr. President, since I have been unable to get a more official description of the operations of the peace corps which was established with this $250,000 grant, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Peace Corps in Harlem Fails To Get Off Ground," as published in the Washington Sunday Star of February 17, 1963.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Feb. 17, 1963]
Feb. 17, 1963]

PEACE CORPS IN HARLEM TOILS TO GET OFF GROUND—POWELL USED INFLUENCE TO HELP GET $250,000 FEDERAL GRANT

(By Cecil Holland)

NEW YORK, February 16.—There's bustle and excitement—and also some concern—in a building up in central Harlem here.

This is the headquarters of a fledgling domestic "peace corps" which is struggling to get off the ground despite a bombardment of senatorial criticism.

The project is the acknowledged brainchild of ADAM CLAYTON POWELL, New York Representative. But its leaders vehemently deny charges by critics that it was the Kennedy administration's tender concern for the Negro Democratic Congressman that led to a $250,000 Federal grant for an opening attack on Harlem's surging juvenile delinquency.

"It's a fact that ADAM CLAYTON POWELL negotiated this grant," said Livingston L. Wingate, the project's director. "His influence was used to get it.

"How in the hell does a community get a grant if not through its Congressman? If he didn't negotiate it, he should be run out."

Mr. Wingate, a Harlem lawyer on leave as associate counsel of Mr. POWELL'S House Education and Labor Committee, rattled off reasons why Harlem, suffering from social and economic stagnation, should receive Federal assistance.

The sprawling Negro community in upper Manhattan, he pointed out, has the highest delinquency rate in New York. In admissions to mental institutions, infant mortality, arrests for narcotic violations, and other indexes of social ills it also ranks at the top.

"This is the worst juvenile delinquency spot in America," Mr. Wingate continued. "How could they refuse to give us a grant?"

Senator JOHN J. WILLIAMS, Republican of Delaware, recently cited the project as one of several examples of the loose manner in which the administration has been shoveling the taxpayers' money out to Mr. POWELL.

But Mr. Wingate pointed out that the grant was made not to the Negro Congressman, but to an organization known as Associated Community Teams, Inc.—ACT, for short. The agency, he emphasized, is run by a 16-member board representing a cross section of the community.

"ADAM hasn't interfered and practically couldn't," Mr. Wingate went on. "He would have to sell the board, and as a consequence he doesn't try."

Members of the board include Dr. Charles Shapp, superintendent of schools for the Harlem district; Andrew Tyler, president of the Harlem Bar Association, and a number who were described as "not friendly to ADAM."

The Negro Congressman is one of the incorporators of ACT and one of the directors. But Mr. POWELL, who has been vacationing in Puerto Rico, has never attended a meeting of ACT's board and has "never been over the premises since we opened up," Mr. Wingate says.

"He's done his job and doesn't need to interfere," the director went on. "All he needs is for it to be clean and work. Assuming he is a practical politician, he can leave it alone and have the gratitude of Harlem. You can't get his mark off this project."

SECOND GROUP AIDED

If it were not for Mr. POWELL'S connection with it, the project might have escaped national attention. Two blocks away from its offices there is another organization known as Harlem Youth Opportunities, Inc., with which Mr. POWELL is not personally identified.

HARYOU, as it is called, has received a Federal grant of $230,000 for mapping out a broad-scale program attacking Harlem's delinquency. It has received little or no attention.

As now contemplated, the two organizations eventually will merge their efforts and seek multimillion-dollar Federal and other assistance for a major Harlem project. In purpose it would be similar to the $12.6 million, 3-year program now under way, with great acclaim, in New York's lower East Side, with Federal, city, and private funds.

Whether this comes about for Harlem will depend, to a large extent, on the success of Mr. POWELL'S "peace corps" under the eyes of a critical Congress.

ON ITS OWN

With its present $250,000 grant and the expectation of getting $125,000 more, ACT is very much on its own. Peace Corps officials in Washington said it has no connection whatever with the Kennedy administration's foreign showpiece. And those working on President Kennedy's projected domestic program for youth disclaim any connections with it and deny that it is a pilot project.

It is an orphan as far as New York City is concerned, too. Mayor Wagner's staff currently is drafting recommendations it will present to the Kennedy administration about its own proposed domestic organization.

"In general, we think ACT is a very interesting idea," said one of the city's administrators. "But we have nothing to do with it."

ACT received its $250,000 grant last August from the Health, Education, and Welfare Department under authority of the Juvenile Delinquency and Youth Offenses Control Act of 1961. More than 30 similar grants have been made throughout the country.

The law requires that recipients contribute money, facilities, or services for carrying out the project. An HEW official said $9,000 had been contributed to the Harlem project by the Adam Clayton Powell Foundation, but this, it was learned here, seemed to be in error.

Mr. Wingate said it was planned to raise $9,000 by public subscription, but no campaign so far had been launched.

ACT has been slow in getting underway, receiving its first trainees only last month. They numbered 28 college students—16 men and 12 women—and they came from 21 States. Seven are from the Harlem area itself.

Mr. Wingate said it was planned to have at least a third of the trainees white, but arrangements could not be completed in time for them to leave their schools. Applications are pending, he added, from white students at Harvard, Radcliffe, and Bennington. ACT hopes to start a second class in June.

SEVENTY-FIVE DOLLARS A MONTH

The students will undergo 2 months of intensive training and then will be assigned to social agencies and hospitals for a year's work in Harlem.

The peace corpsmen will receive travel pay, subsistence, a $2-a-day spending allowance and $75 a month, to be paid to them at the end of their service.

As outlined by Mr. Wingate and others, ACT's program includes three features: The "peace corps," the use of the corpsmen to train and direct an urban service corps, and a third goal, which is not yet designed, aimed at aiding adults.

Mr. Wingate and others said they hoped the undertaking would pull together "under one umbrella" all the groups working in the Harlem area, as has been done in the lower East Side project.

Senator LAUSCHE, Democrat of Ohio, has questioned the administrative costs of the project, including rent and staff salaries.

NEAR POWELL CHURCH

ACT occupies 7,694 square feet on two floors of a building on 137th street, just off Seventh Avenue, and backing up against the Abyssinian Baptist Church of which Mr. POWELL has been pastor for many years. The building is owned by Adam Clayton Powell Center, Inc., named for Mr. POWELL'S father and the church's former pastor, and is, it was explained, in effect an extension of the church.

ACT pays a rental of $2,000 a month or about $3 a square foot. According to an appraisal Mr. Wingate had made before the lease was signed, the rate is in line with other rental properties, and the building was the only one in the Harlem area where such an amount of space was available.

Others in New York described the rate as reasonable. "Even in the depressed areas space is at a premium and rental rates are not low," one man familiar with the situation said.

At present the Harlem "peace corps" has a staff of 26 and 3 part-time consultants. It has contracted with New York University for two-fifths of the teaching services of Dr. Jeanne Noble, an expert on community relations, and 20 days of consulting time at a total cost of $3,400. In addition, Mr. Wingate said, Dr. Noble is doing research free for the agency.

SALARIES COMPARED

Staff salaries range down from a top of $16,000. A source not connected with ACT said this is not out of line. The lower East Side project known as Mobilization for Youth has 192 on its staff with salaries ranging up to $21,000. HARYOU, the other Harlem project, employs 16 persons. A spokesman declined to say what the salaries are.

James E. McCarthy, director of the lower East Side project and a veteran of New York social work, commended the Harlem project as a step in meeting a community need.

"We look favorably upon it," he said. "We think it will work."

The trainees and the agency itself received an unexpected lesson in community

work in a recent Harlem apartment fire which left several hundred homeless.

Under Mr. Wingate's direction the new agency tried its wings by helping out at the fire scene and later by finding homes and organizing a clothing drive for the victims. They brought a response from all over New York.

According to Chester F. Page, director of Red Cross disaster services in New York and formerly of Kensington, Md., the corps did a very good job in mobilizing community resources.

"This is the best idea that has ever happened here," Mr. Page said. "They are working toward developing a do-it-yourself program."

If it succeeds, Mr. Page said ACT will become a part of the New York's disaster relief program.

But just where the Harlem organization goes from here depends not only on itself, but on what Congress will do in providing additional funds for a long-range program. Here is an area where everyday living is in itself a problem, if not something of a disaster.

Mr. WILLIAMS of Delaware. Mr. President, I call attention to a couple of points in the article. The entire article has been placed in the RECORD. The article points out:

ACT received its $250,000 grant last August from the Health, Education, and Welfare Department under authority of the Juvenile Delinquency and Youth Offenses Control Act of 1961.

The article then states that the recipients had agreed to put up $9,000 of their own money in return for getting this $250,000 grant. According to this article they were supposed to get an extra $125,000.

The article quotes the Department of Health, Education, and Welfare as stating that this $9,000 has been put up; but the gentleman who released the information to the newspapers said that the money had not yet been raised. Even if this $9,000 has been advanced, it seems to me that $9,000 is a relatively small amount of money for anyone, whether he be a Member of the House or the Senate or a private citizen, to have to put up in order to get a $250,000 grant from the Federal Treasury.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD my letter of February 7 addressed to the Honorable Celebrezze, in which I requested a breakdown of the expenditures under this grant.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 7, 1963.

Hon. ANTHONY J. CELEBREZZE,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

MY DEAR MR. SECRETARY: This is in further reference to my letter to you of January 21, 1963, and the reply of Mr. Nestingen dated February 1, 1963, regarding the grant by the Department of Health, Education, and Welfare of $250,000 to Associated Community Teams, Inc.

In connection with this grant, I would appreciate it if you would provide me with a list of all the payments and disbursements which have thus far been made from the funds allocated to the ACT program, as well as the dates of such payments.

I would also like to have a tabulation showing the following information:

1. The expenditures made by or approved by Associated Community Teams to date;

2. The name of the person or persons to whom the payments have been made or for whom authorized;

3. The purpose for which each payment was made or authorized;

4. The date of such payment or authorization;

5. The names, addresses, position, and salary paid to all employees of Associated Community Teams, Inc., whether they have been part-time employees or full-time employees;

6. The amount of private capital which has been pledged to support the program of Associated Community Teams, Inc.; and

7. The amount of private capital which has been advanced to date.

I appreciate very much your attention to this request.

Yours sincerely,

JOHN J. WILLIAMS.

Mr. WILLIAMS of Delaware. Mr. President, the only expenditure concerning this grant that I have been able to get the Department to confirm is the payment of $2,000 a month rent for office space. I was advised by the Department that it is paying this amount to a company known as the Adam Clayton Powell Center, Inc. Perhaps the Congressman can explain his association with this company.

I do not take a back seat to anyone in favoring juvenile delinquency programs. Certainly all of us recognize the juvenile delinquency problem, but I do not think this matter involves the question of whether we favor juvenile delinquency programs.

The other day one Member of Congress pointed out what a great supporter he had always been of the Boy Scout movement. Mr. President, I, too, have great respect for the Boy Scouts of America; I think that organization is one of the greatest organizations in the country. I respect those dedicated people working in the Peace Corps. But the fact that a man has respect for the Boy Scouts of America or the Peace Corps does not mean that one cannot criticize a $250,000 grant from the Federal Treasury. I have a perfect right, either as a Senator or as a U.S. citizen, to state that the gentleman in question—I refer to him as a gentleman and as a friend of the Kennedy administration—would not qualify as a Boy Scout.

Mr. President, now I wish to discuss the loans of the Adam Clayton Powell Foundation. On this subject, apparently I shall be on very firm ground, because now I quote a press statement by this friend or protege of the administration. He said:

On the subject of the Adam Clayton Powell Foundation, which was involved in dealings of the Housing and Home Finance Agency that were criticized by WILLIAMS, POWELL said he has "absolutely no connection with it."

The foundation is named after POWELL'S father. POWELL said he helped set up the foundation, but now was not connected with it.

In continuing, it states that he made a flat statement that he had not received a dollar of the loans to which I referred in my remarks of February 5.

Well, Mr. President, according to a subsequent news report, he said he had resigned from his association with this foundation—I do not know how he reconciles that reasoning. I merely say that I should like to read the first paragraph of a letter which I received from Mr. Weaver, Administrator of the Housing and Home Finance Agency, in response to my inquiry:

HOUSING AND HOME FINANCE AGENCY,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., November 14, 1962.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: This is in reply to your letter of October 23, 1962, requesting a record of all loans which have been approved for Congressman—

The friend of the administration—

the Adam Clayton Powell Foundation, or other company [sic] with which he is connected.

The Housing and Home Finance Agency wrote this letter, and in it they refer to companies with which this administration's protege is associated. The Agency lists three loans.

Technically the gentleman from New York was correct when he said he personally had not received this money; it was his companies that were applying for the loans. But the letter speaks for itself.

The Agency listed, up to that time, $10,800,000 of loans or request for mortgage guarantees and listed the cost of the property as being slightly more than $8 million. To be exact the loan request was for $2.5 million more than the acquisition cost of the properties in question and at the time of my inquiry they appeared to be getting favorable consideration.

For one of the properties—the Hotel 2400—the acquisition cost, based on the letter from the Agency, was only $2,250,000. The loan request was rated feasible for $4,500,000 or double the acquisition cost. I repeat from their report the application was found feasible at $4,500,000, subject to the enactment of legislation granting tax abatement.

Naturally I was interested in any proposed legislation introduced to grant tax abatement to a company which was negotiating a loan of $4.5 million on a property being purchased for $2¼ million. That raised a very proper question.

I am sure the gentleman from New York, this friend and protege of the Kennedy administration, will not object to my saying anything about this. In fact, he now disclaims any connection with the Adam Clayton Powell Foundation.

At any rate, the Agency's letter states:

DEAR SENATOR WILLIAMS: This is in reference to your letter of December 4, 1962, wherein you request additional information pertinent to the three proposals now pending before the Federal Housing Administration sponsored by affiliates of Congressman ADAM CLAYTON POWELL.

Your questions will be answered in the order presented.

The first relates to proposed legislation necessary to obtain tax abatement for Hotel 2400 in the District of Columbia. On August 1, 1962, the Honorable ABRAHAM J. MULTER, of New York, introduced bill H.R. 12757, copy of which is enclosed. If passed in its present form, it appears this bill would provide

for complete abatement of real estate taxes unlimited as to time.

I should like to quote from the bill, and then I shall ask that both the letter and the bill be printed in the RECORD. I quote now from H.R. 12757, introduced in the House on August 1, 1962, and upon the enactment of which approval of a $4½ million loan was contingent. I quote from the bill: "is hereby exempt from all real property taxation so long as the same is owned by and used to carry out the purpose of the Adam Clayton Powell Foundation, Inc."

Mr. President, I ask unanimous consent to have both letters concerning these loans and the bill printed at this point in the RECORD.

There being no objection, the letters and the bill were ordered to be printed in the RECORD, as follows:

HOUSING AND HOME FINANCE AGENCY,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., November 14, 1962.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: This is in reply to your letter of October 23, 1962, requesting a record of all loans which have been approved for Congressman ADAM CLAYTON POWELL, JR., the Adam Clayton Powell Foundation, or other company with which he is connected.

With respect to the Federal Housing Administration program of insured mortgages, Commissioner Neal J. Hardy advises me that in the small homes program (1- to 4-family residences), he is not able to immediately identify any loans which have been insured in the name of ADAM CLAYTON POWELL, JR. or related companies. I am sure you will understand that since there are approximately 3½ million small home mortgages insured by the FHA, it is not possible to say with certainty that Representative POWELL has not been the mortgagor in an insured mortgage.

With respect to multifamily housing operations, there are presently three proposals before the Federal Housing Administration. One application in formal processing is a section 221(d)(3) project for lower-income occupants. The essential facts are as follows: The Iliad, Bronx, N.Y.; project No. 012–55002NP, section 221(d)(3); below market interest rate—3⅛ percent; 358 units, 24-story; mortgage (100 percent) $4,938,000; sponsor: Morris Park Senior Citizens Housing Council, Inc. (instrumentality of the Abyssinian Baptist Church); eligibility of nonprofit approved, September 3, 1962; builder, Robert Chuckrow Construction Co.

In addition, there are two firm proposals before the FHA involving mortgages under section 231 to provide housing for the elderly as follows:

1. Hotel 2400, Washington, D.C. (rehabilitation); project No. 000–38003–NP; 407 units, 8-story; acquisition price of property, $2,250,000 plus; requested mortgage amount, $4,850,000; interest 5¼ percent plus one-half of 1 percent mortgage insurance premium. Application was found feasible at $4,500,000 subject to enactment of legislation granting tax abatement. Processing will be undertaken upon formal advice from mortgagee.

2. Douglas Hotel, Newark, N.J. (rehabilitation); 183 units, 8-story; acquisition price of property, $1,400,000; interest 5¼ percent plus one-half of 1 percent mortgage insurance premium. Preapplication analysis is now underway. The submissions necessary to determine eligibility of nonprofit mortgagor not complete at this time.

In regard to your request for the financial statement accompanying the applications, it is our opinion that the FHA is legally precluded from disseminating information of this type which is submitted by private parties on a confidential basis in support of applications for mortgage insurance.

In connection with the two projects involving rehabilitation, Commissioner Hardy informs me that the proposals involve loan amounts which will exceed the acquisition cost of the property by reason of the costs incidental to repairing and converting the property to its new use. By law, the amount of mortgage cannot exceed the acquisition cost or as-is value whichever is lesser, plus the cost of rehabilitation; or the value of the property as rehabilitated whichever is lesser.

Sincerely yours,

ROBERT C. WEAVER,
Administrator.

HOUSING AND HOME FINANCE AGENCY,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., December 18, 1962.

Hon. JOHN J. WILLIAMS,
U.S. Senate, Washington, D.C.

DEAR SENATOR WILLIAMS: This is in reference to your letter of December 4, 1962, wherein you request additional information pertinent to the three proposals now pending before the Federal Housing Administration sponsored by affiliates of Congressman ADAM CLAYTON POWELL.

Your questions will be answered in the order presented.

The first relates to proposed legislation necessary to obtain tax abatement for Hotel 2400 in the District of Columbia. On August 1, 1962, the Honorable ABRAHAM J. MULTER, of New York, introduced bill H.R. 12757, copy of which is enclosed. If passed in its present form, it appears this bill would provide for complete abatement of real estate taxes unlimited as to time.

The second question relates to financing details of the three projects. In relation to the ratio of loan to acquisition cost of Hotel 2400 and the Douglas Hotel, our rules require that the loan not exceed the acquisition cost, plus cost of rehabilitation. Processing in FHA has not yet reached the point where their estimate of rehabilitation cost is available and thus we are unable to furnish you with the amount of loan that would be eligible provided the tax legislation is obtained. FHA Commissioner Hardy informs me the Douglas Hotel proposal has not proceeded beyond the initial preliminary stage and there is no representation as to a firm acquisition cost at this time.

The third property known as The Iliad is proposed construction and not rehabilitation, thus the acquisition cost will relate to land only.

Information is not available as to disbursements since no mortgagor corporation has been created nor closing obtained in any of the three mentioned cases and is not expected before the summer of 1963.

The answer to question 3 is, of course, in the affirmative as a result of section 227 of the National Housing Act wherein cost certification is required.

In answer to a, b, c, and d, I am informed the FHA has had no previous experience with this sponsoring group.

Sincerely yours,

ROBERT C. WEAVER,
Administrator.

H.R. 12757

[Introduced August 1, 1962]

Be it enacted by the Senate and House of Representative of the United States of America in Congress assembled, That all that certain plot, piece, or parcel of land, with the buildings and improvements thereon, lying and being in the District of Columbia and known and described as follows: Lot 99 in the combination made by Kennedy Brothers, Incorporated, of lots in block 6, Meridian Hill; as per plat recorded in liber numbered 55, folio 162, of the records of the Office of the Surveyor of the District of Columbia; and, also, all of the lots 100 in the combination made by Kennedy Brothers, Incorporated, of lots in said block 6, Meridian Hill, as per the plat recorded in liber numbered 56, folio 16, of the aforesaid surveyor's office records; excepting the part thereof condemned and taken for alley purposes by proceeding in district court case numbered 1535 in the United States District Court for the District of Columbia; which land is designated on the records of the Assessor of the District of Columbia for taxation purposes as lots 903 and 820 in square 2571, is hereby exempt from all real property taxation so long as the same is owned by and used to carry out the purposes of the Adam Clayton Powell Foundation, Incorporated, and is not used for commercial purposes, subject to the provisions of sections 2, 3, and 5 of the Act entitled "An Act to define the real property exempt from taxation in the District of Columbia", approved December 24, 1942 (56 Stat. 1091; D.C. Code, secs. 47–801b, 47–801c, 47–801e).

Mr. WILLIAMS of Delaware. Mr. President, yesterday, in taking exception to my earlier remarks, the gentleman from New York said I had made certain inaccuracies in my statement. I think I know to what he referred because after I made my speech the Housing and Home Finance Agency also referred to an omission in their first report. Under date of February 12, 1963, they sent me another letter. This letter also is signed by Robert C. Weaver, Administrator. In this letter he pointed out that they had located another loan of $1,348,000. As a matter of fact, it was not my fault because I had placed in the RECORD what the Agency had furnished. But in a further examination of its files, the Agency found that it had not quite told me all the story; there was this other loan. I quote from this letter wherein they said there was "a direct loan for senior citizens housing approved by the Morris Park Senior Citizens Housing Council, Inc., of New York, in the amount of $1,348,000, of which $79,000 has been disbursed."

The Agency points out that it was granted under the Community Facilities Act; and according to the Agency, this friend of the Kennedy administration, who is also a Member of the House, was connected with this firm. I accept this as an unintentional oversight. Perhaps my first inquiry was not understood to be all-inclusive, but the fact remains that in my earlier remarks I underestimated the loans of his affiliated companies and their loan requests by this $1,348,000.

If this is the error to which he referred I am glad to correct it, and if later I find anymore loans or grants I will see that they too are reported. This must be the inaccuracy to which the administration's friend from New York referred yesterday when he said that I have not told all the story. I had not told about this other loan. I will include a more complete report of the loan in a letter that will be inserted later. This friend of the administration made a flat statement that none of the loans to which I had referred had ever been received by him personally. So what, no one ever said he did. It was his controlled companies that were getting this money. I have been advised

since I made my speech that all of those loan requests have now been rejected. That is good news; they should have been rejected. I do not say that my remarks had anything whatever to do with the rejection of those loans. I do not make that claim at all. I am perfectly willing to give the Agency the full credit for this decision. They are rejected, and as I understand it now, those loans, which total approximately $11 million on property for which the acquisition cost was to be about $8.5 million, have all been rejected. The new loan of $1,348,000 which I reported today, however, was not rejected. It has been approved.

However, the administration's friend from New York is correct when he now states that he has not had any of the money from those first reported loans. I hope that I can say the same thing a year from now. If they stand rejected he will not be getting any. At least the outflow of this much taxpayers' money has been stopped.

Under section 202 of the Housing Act of 1959, as amended by the Housing Act of 1961, the Community Facilities Administration makes loans which may be up to 100 percent of the development cost to assist private nonprofit corporations, cooperatives, certain public bodies, and agencies to provide housing and related facilities for elderly families and persons. Those loans may run as long as 50 years. The Agency reports that one such loan has been approved for a project sponsored by an organization identified with the Abyssinian Baptist Church. I am sure that the administration's friend from New York will admit his association with this organization. A more complete description of this project and the loans follows.

Mr. President, I ask unanimous consent that the entire letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSING AND HOME FINANCE AGENCY,
OFFICE OF THE ADMINISTRATOR,
Washington, D.C., February 12, 1963.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: On February 8, by telephone to my office, you asked that we supply you with information on any actions taken by this Agency in the housing programs it administers on applications by Mr. ADAM CLAYTON POWELL, JR., the Adam Clayton Powell Foundation, or other organizations in which Mr. POWELL is known to be a participant or to have an interest. This letter is in response to that request and also to your letters of February 8 to Commissioner Sidney H. Woolner of the Community Facilities Administration and to me asking for similar information.

I should like to make it clear at the outset that we can identify no FHA-insured mortgage approved for a project sponsored by an organization with which Mr. POWELL is in any way identified. Only one loan has been granted to such an organization, that being a direct loan for senior citizens housing approved for the Morris Park Senior Citizens Housing Council, Inc., of New York, in the amount of $1,348,000, of which $79,000 has been disbursed.

In order that this report may be complete in itself, I am including certain information already supplied you in my letters of November 14, 1962, and December 18, 1962, in response to your earlier inquiries.

Two constituents of this Agency, the Federal Housing Administration and the Community Facilities Administration, have received proposals or applications from organizations of the kind you describe. I am reporting on each separately.

FEDERAL HOUSING ADMINISTRATION

This is a program, not of loans, but of insurance of mortgage loans made by private lending institutions. Under section 203 of the National Housing Act, mortgage loans are insured for one- to four-family dwellings. Under other sections of the act, mortgage loans are insured for multifamily projects, including loans under section 231 for the construction or the purchase and rehabilitation of rental housing for elderly persons, and loans under section 221(d)(3) at below-market interest rates for housing for families of low and moderate income sponsored by nonprofit or limited dividend corporations, cooperatives, or certain public bodies.

One- to four-family housing: The Federal Housing Administration is unable to identify any loans of this kind which may have been insured in the name of ADAM CLAYTON POWELL, JR., or any organization in which he is a participant or has an interest. However, the FHA has insured more than 6.4 million home mortgages, and it is not possible to say with certainty that Mr. POWELL has not been a mortgagor or an associate of a mortgagor in one of these.

Multifamily projects: The Federal Housing Administration has not insured or approved for insurance any mortgage loan for a multifamily project on the application of ADAM CLAYTON POWELL, JR., or any organization in which he is known to be a participant or have an interest. It has, however, received and given some consideration to proposals submitted by organizations with which Mr. POWELL is identified for mortgage insurance for two projects for elderly persons under section 231, and five projects for low and moderate income families under section 221(d)(3).

Proposals under section 231 (housing for the elderly) are as follows:

Hotel 2400, Washington, D.C. (rehabilitation), 407 units in 8-story structure. Preliminary proposal submitted on March 6, 1962, by Adam Clayton Powell Foundation, Inc. Requested mortgage amount, $4,850,000 to cover cost of acquisition of property at price of $2,250,000 and its rehabilitation to standards required in this program. Interest would be at 5¼ percent plus one-half of 1 percent mortgage insurance premium. Nonprofit mortgagor approved as eligible sponsor. Proposal assumes project will benefit from tax abatement under legislation not yet enacted. Proposal found feasible at $4,500,000, subject to granting of tax abatement and compliance with FHA requirements. Without tax abatement the project cannot go forward. Agency has not endorsed nor has it expressed an opinion on the proposed tax abatement legislation.

Douglas Hotel, Newark, N.J. (rehabilitation). Preliminary proposal submitted on October 16, 1962, by Adam Clayton Powell Foundation, Inc., for purchase of property at price of $1,400,000 and rehabilitation to provide 183 units in 8-story structure. Preapplication analysis now underway. No cost estimates available. No determination as to feasibility of project. No determination as to eligibility of nonprofit mortgagor.

As explained in my earlier letters, the amount of the insured mortgage under section 231 may include costs of both purchase and rehabilitation, the limits for a nonprofit sponsor being the estimated value of the property before rehabilitation plus the cost of rehabilitation, or the value of the property as rehabilitated, whichever is the lesser.

One proposal under section 221(d)(3) (housing for low and moderate income families) is under review, as follows: The Iliad, Bronx, N.Y. (new construction), 358 units in 24-story structure. Proposal for 100 percent, $4,938,000 FHA-insured mortgage at below market interest rate (3⅛ percent) submitted June 5, 1962, with Morris Park Senior Citizens Housing Council, Inc., an organization related to the Abyssinian Baptist Church, as mortgagor. Eligibility of nonprofit mortgagor approved. Project would require at least 40 percent tax abatement under New York State law in order to be economically feasible.

I am informed that the Industrial Development & Building Corp., of Dallas, Tex., acting on behalf of the Adam Clayton Powell Foundation, has made inquiries of the Dallas and Fort Worth offices of the Federal Housing Administration regarding suitability of sites for two projects in Dallas and one in Grand Prairie, Tex., for development of housing under section 221(d)(3). One site in Dallas has been found not suitable, and none has been approved. Also, I am informed that the Indianapolis office of the Federal Housing Administration has under consideration a preliminary proposal from the Harlemco Development Corp., acting on behalf of the Adam Clayton Powell Foundation. On these, I have no further information at this time.

In addition, the Adam Clayton Powell Foundation has informed the FHA that it is doing preliminary work on proposals for projects under section 221(d)(3) in Illinois, Ohio, Pennsylvania, Massachusetts, Mississippi, Louisiana, Washington, Oregon, and California, but we are unable to find that actual proposals have been submitted to FHA offices in these States for projects sponsored by this or any related organization.

COMMUNITY FACILITIES ADMINISTRATION

Under section 202 of the Housing Act of 1959, as amended by the Housing Act of 1961, the Community Facilities Administration makes loans, which may be for 100 percent of development cost, to assist private, nonprofit corporations, cooperatives, and certain public bodies and agencies to provide housing and related facilities for elderly families and persons. Loans may run for as long as 50 years. One such loan has been approved for a project sponsored by an organization identified with the Abyssinian Baptist Church. A description of this project follows:

Morris Park project, 15–21 West 124th Street, New York, N.Y. (new construction). Preliminary application made by Abyssinian Baptist Church, November 3, 1960, revised and resubmitted March 29, 1961, by Morris Park Senior Citizens Housing Council, Inc., a new nonprofit organization certified by State of New York. Loan approved August 24, 1961, in amount of $1,348,000 at 3⅜ percent interest, with a repayment period of 50 years, for construction of 97-unit building. Among other terms and conditions, contract specified rent schedule to meet needs of lower middle income occupants and assumed abatement of real estate taxes under New York law. Seventy-five thousand dollars disbursed by CFA to corporation February 26, 1962, for purchase of 10,000-square-foot property; $4,000 subsequently disbursed to cover cost of demolition on site. Amount disbursed secured by land acquired. Interest payments current. Corporation on January 14, 1963, reported construction bids opened January 9 were in excess of amount of loan by $140,000 and requested increase of loan in this amount. On January 30, CFA rejected application for increased loan on grounds that increase in rents resulting from large amount and prospective tax expense, would

be incompatible with purpose of program. Sponsors advise they will adjust plans to reduce construction costs and readvertise for bids.

One additional proposal by the Adam Clayton Powell Foundation for a loan under section 202 has been presented to the Community Facilities Administration. On November 15, 1962, a representative of Austin Associates, of New York, submitted an application on behalf of the foundation for a loan in the amount of $1,591,000 for construction of a 121-unit housing development for elderly persons at a site in New Brunswick, N.J. Mr. Austin was advised that the application lacked necessary supporting data, and subsequently the proposed site was found inappropriate and was disqualified for further consideration.

This résumé reflects this Agency's policy of proceeding proposals and applications submitted to it by Mr. POWELL or his associates in exactly the same manner as all others.

Sincerely yours,

ROBERT C. WEAVER,
Administrator.

Mr. WILLIAMS of Delaware. I point out that this loan which was not included in my earlier report was a 100-percent loan for $1,348,000 for a 50-year period at 3⅜ percent interest.

I overlooked another point. I understand that he claims since to have resigned from the Adam Clayton Powell Foundation; however, the Agency record still shows him associated with the company. I should like to quote from the Department's letter which shows how far this company was expanding:

I am informed that the Industrial Development and Building Corp., of Dallas, Tex., acting on behalf of the Adam Clayton Powell Foundation, has made inquiries of the Dallas and Fort Worth offices of the Federal Housing Administration regarding suitability of sites for two projects in Dallas and one in Grand Prairie, Tex., for development of housing under section 221(d)(3). One site in Dallas has been found not suitable, and none has been approved. Also, I am informed that the Indianapolis office of the Federal Housing Administration has under consideration a preliminary proposal from the Harlemco Development Corp., acting on behalf of the Adam Clayton Powell Foundation. On these, I have no further information at this time.

According to a news story which appeared on the wire services a couple of days after I made my remarks they reported the rejection of those two projects in the Dallas area.

I continue reading from the report which outlines the proposed expansion of the activities of the Adam Clayton Powell Foundation into several other States.

I quote from the letter:

In addition, the Adam Clayton Powell Foundation has informed the FHA that it is doing "preliminary work" on proposals for projects under section 221(d)(3) in Illinois, Ohio, Pennsylvania, Massachusetts, Mississippi, Louisiana, Washington, Oregon, and California, but we are unable to find that actual proposals have been submitted to FHA offices in these States for projects sponsored by this or any related organization.

The entire letter appears in the RECORD. I merely point out that the foundation, whose background I have a perfect right to inquire into, was apparently making plans based upon FHA approval for a move into a 14-State area to develop housing projects which were to be financed or insured by the Federal Government. The company to which they refer, the Adam Clayton Powell Foundation, is the one which was negotiating these loans of around $11 million on property upon which it had an option to buy at around $8.5 million.

Mr. President, one reason that this friend of the administration can say that he personally is not negotiating any of these loans is that each one of these projects and each one of the negotiated loans or mortgage guarantees are being negotiated under the name of different corporations. There are a whole series of corporations with which he is associated. For a man merely to come out and say, "I have no loan under my own name" does not mean anything at all.

Do not overlook the fact that these are agency reports that I am placing in the RECORD here today. If they are in error, it is their fault, but they should certainly know what they are doing.

Some of this information was put in the RECORD during the earlier debate. The additional information I have since obtained. It all shows the extent of the operation of this friend of the administration, the gentleman from New York.

These reports show clearly the extent to which the Kennedy administration has gone to shovel out money to their friend.

I am amazed to find the Attorney General in his press conference yesterday still defending these grants and loans.

Continuing reading from the wire service concerning the gentleman's statement yesterday, I quote:

On his taxes, which WILLIAMS said were delinquent—

The friend of the administration replied—

I always pay my taxes and pay them early.

Mr. President, if he thinks his taxes are all paid he had better read the Commissioner's letter of December 31, 1962, which I shall place in the RECORD again today.

If I understand the English language he had better look again.

I continue quoting from the wire service:

POWELL said his present tax difficulties with the Government stemmed from the Internal Revenue Service's attempt to collect through civil action taxes that the Government failed to get through criminal proceedings, which were dismissed. The Government's claims now are in the U.S. Tax Court.

Mr. President, the basis for my inquiry in connection with his tax delinquency was that in the face of those $11 million loans that were being negotiated, in the face of a $250,000 grant which was being made to a corporation formed by this Member of the Congress—or should I say a friend of the administration—I was very much interested in knowing whether or not a newspaper story charging him with delinquency in his taxes was accurate.

I ask unanimous consent that this article which appeared in the Washington Daily News on November 8, 1962, entitled "POWELL Asked To Pay $49,984 in Back Taxes" be printed at this point in the RECORD.

This newspaper article appeared prior to my inquiry as to his tax delinquency.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POWELL ASKED TO PAY $49,984 IN BACK TAXES

(By William Steif)

The Internal Revenue Service has asked Representative ADAM CLAYTON POWELL, Democrat, of New York, just elected to his 10th term in Congress, to pay $40,984 it claims he owes in back taxes and penalties on his income from 1949 through 1955.

Representative POWELL's lawyers here, Edward Bennett Williams and Colman B. Stein, deny he owes the money and have filed Representative POWELL's denial in U.S. Tax Court. The IRS has until next Monday to reply.

Representative POWELL's deficiency notice was sent to him last April 18, after which he had 90 days either to pay or to petition the tax court for a hearing. Representative POWELL asked for a hearing and Judge Norman O. Tietjens granted a time extension for filing briefs, because of the case's complexity.

Meanwhile, in April 1960, Representative POWELL's criminal trial in New York on charges of tax evasion ended in a hung jury.

The IRS dropped its criminal case against the Congressman, who is pastor of the Abyssinian Baptist Church in Harlem, in April 1961, after deciding there was no realistic chance of prosecuting successfully.

The civil action covers a far wider span of years than the criminal case.

According to IRS tax examiners, Representative POWELL was "deficient" in his tax payments by these amounts: 1949, $5,512; 1950, $2,643; 1951, $7,442; 1952, $6,203; 1953, $2,141; 1954, $940; 1955, $1,124. Total deficiency was calculated by IRS as $26,007. The penalty, IRS figured, would be $14,976.

In all these years except 1951 Representative POWELL, chairman of the House Education and Labor Committee, filed a joint return with his former wife, pianist Hazel Scott. She is jointly liable. In 1951, Representative POWELL filed a separate return.

Representative Powell's lawyers contend the IRS commissioner "erred" and, in standard legal terminology, ask the U.S. Tax Court to "try this case, determine the amount of deficiency" and "find no penalty may be asserted."

Mr. WILLIAMS of Delaware. Mr. President, based upon that article and other rumors to that effect. I thought it was proper to find out the financial background of the man who was getting these thousands or millions so freely from the administration. It is true some were in the form of guaranteed loans and guarantees of mortgages for his companies, but part was in the form of outright grants. I directed an inquiry to the Treasury Department and their reply will again be placed in the RECORD today.

In this letter dated December 31, 1962, signed by Mr. Mortimer M. Caplin, he outlined the deficiencies in the taxes of this individual.

On the one hand we have the Department of Justice prosecuting this man for tax evasion and charging him with fraud while on the other hand we see the Attorney General hold a special press conference to emphasize what a great job he is doing.

It is the responsibility of the Department of Justice to enforce the law, and in doing so I suggest that the Attorney General get his mind off the 1964 election.

For the year 1951 the Treasury Department assessed a tax delinquency against this man of $7,442.12. There was a fraud penalty of $3,721.06 and an estimated tax penalty of $533.34, or a total of $11,696.52. That was the proposed tax for that 1 year plus interest up to the time when it may be paid.

In addition, there were 6 other years in which delinquencies were reported. There were deficiencies in the years 1949, 1950, 1952, 1953, 1954, and 1955. They are all tabulated in this letter which I shall place in the RECORD.

All I have to say is that for a man who now maintains that he has paid his taxes on time, it is a rather peculiar letter for the Commissioner of Internal Revenue to be writing about his status with that agency.

In making this statement I fully respect the right of this individual just as that of any other taxpayer to contest the Department's claim in the courts, but that does not alter the fact that the Treasury Department has filed a claim for back taxes.

Mr. President, in order that the RECORD may be clear, I ask unanimous consent that the letter of the Commissioner, dated December 31, in which he outlines these delinquent taxes, be printed again in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. TREASURY DEPARTMENT,
INTERNAL REVENUE SERVICE,
Washington, D.C., December 31, 1962.

Hon. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: This refers to your letter of December 5, 1962, concerning Representative ADAM C. POWELL. For the sake of clarity I am repeating the inquiries contained in your letter, with our response directly beneath each question.

1. Question. The total amount of back taxes which Mr. POWELL owed, along with the amount of the penalties and the accrued interest due as of that date, broken down by years.

Answer. The amount of back taxes owed by Mr. POWELL has not been finally determined. The Federal Government notified the taxpayer that it proposed to assess certain deficiencies against him for the years 1949 through 1955. The taxpayer has petitioned the U.S. Tax Court for a hearing on these matters. The records of the Tax Court reveal the following:

DOCKET NO. 2850–62

The taxpayer was notified on April 18, 1962, that the Government proposed to assess the following deficiency against him for the taxable year ended December 31, 1951:

Tax	$7,442.12
Fraud penalty	3,721.06
Estimated tax penalty	533.34
Total	11,696.52

DOCKET NO. 2851–62

The taxpayer was notified on April 18, 1962, that the Government proposed to assess the following deficiencies against him for the taxable years ended December 31, 1949, 1950, 1952, 1953, 1954, and 1955:

	1949	1950
Tax	$5,512.41	$2,643.34
Fraud penalty	2,756.20	1,321.67
Estimated tax penalty	515.66	408.31
Total	8,784.27	4,373.32
	1952	*1953*
Tax	6,203.00	2,141.59
Fraud penalty	3,101.50	1,070.80
Estimated tax penalty	346.75	37.87
Total	9,651.25	3,250.26
	1954	*1955*
Tax	940.69	1,124.81
Fraud penalty	470.35	562.41
Estimated tax penalty	131.06	30.21
Total	1,542.10	1,717.43

2. Question. Has Mr. POWELL filed timely tax returns in each of the years beginning with 1950 through 1962? If not, so indicate.

Answer. Mr. POWELL has filed individual income tax returns for the years 1950 through 1961. The return for 1962 is not due to be filed until April 15, 1963. The transcript of accounts received from our field office does not indicate that the returns for the years 1950 through 1961 were delinquent when filed.

3. Question. Have there been any compromise settlements on income taxes made by the Federal Government with Mr. POWELL or any of his companies during the past 10 years?

Answer. There have been no accepted offers in compromise with Mr. POWELL during the past 10 years.

I hope that this satisfactorily answers your questions. If I may be of further assistance, please let me know.

With kind regards,
Sincerely,

MORTIMER M. CAPLIN,
Commissioner.

Mr. WILLIAMS of Delaware. Mr. President, the Adam Clayton Powell Foundation now seems to be an orphan. Even the Congressman, the friend of the Kennedy administration, is repudiating it. Perhaps we can understand why, because, if the easy Government money is all being shut off and it is not going to get these loans, perhaps it is not worth claiming.

But I was interested to know when it first got a tax-exempt status. The Adam Clayton Powell Foundation was both negotiating and planning to negotiate loans in a 14-State area to start housing projects. Under the law, it should have first been recognized as a nonprofit organization in order to be eligible. I directed a letter to the Commissioner of Internal Revenue and asked on what date it obtained its tax-exempt status. This would determine its eligibility for loans to be considered or approved.

I have a letter, which I shall put into the RECORD, signed by Mr. Caplin, dated February 19 of this year, in which he says:

An application for exemption submitted on behalf of the Adam Clayton Powell Foundation was received by the Service on December 28, 1962.

Mr. President, that was long after some of these loans were about to be approved.

I am sure that no one will object to my calling attention to the fact that here was a company which was recognized by one agency of the Government as being eligible to receive loans on the basis that it was an approved nonprofit organization, yet it had never gotten around to finding out whether or not it could qualify under the Treasury Department rules, for such exempt status. That application was not filed until December 28, 1962.

It is significant to note that this application was filed after my inquiries were placed with the Departments.

I asked the Department for a breakdown as to who were the incorporators filing this application, and they said that such information was confidential. All we can say is that this application does bear the name of the Adam Clayton Powell Foundation, which seems to be a rather popular name in the administration circles.

I ask unanimous consent that this letter of the Commissioner dated February 19 confirming this late filing be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. TREASURY DEPARTMENT,
INTERNAL REVENUE SERVICE,
Washington, D.C., February 19, 1963.

Hon. JOHN J. WILLIAMS,
U.S. Senate.

DEAR SENATOR WILLIAMS: In your letter of February 8, you asked to be furnished with the date of receipt and the date of approval of applications for exemption from Federal income tax submitted on behalf of the Adam Clayton Powell Foundation and the Associated Community Teams, Inc. You also stated that you will appreciate receiving a complete list of all foundations, organizations, and companies whose tax-exempt status has been applied for or approved which are controlled by Congressman POWELL or with which he is affiliated.

An application for exemption submitted on behalf of the Adam Clayton Powell Foundation was received by the Service on December 28, 1962. A ruling in regard to this application has not yet been made.

On February 8, I replied to your letter of January 25, concerning the application of the Associated Community Teams, Inc. To date, no record has been found by the Service that an application for exemption from Federal income tax has been submitted by the Associated Community Teams, Inc.

The Service maintains an index of organizations and institutions applying for tax exemption and the action taken thereon only in alphabetical order by name. Therefore, our records do not disclose sponsors of applications for exemption, or show the names of officers, directors, or trustees of exempt foundations and organizations. I am sure you know, however, that information with respect to applications of organizations which have qualified for exemption under the provisions of section 501(a) of the Internal Revenue Code of 1954 may be made available only in accordance with the statutory provisions of sections 6104 and 6103(d) of the code.

I will be happy to make available for inspection any material authorized by the law upon your request pursuant to the applicable provisions of the Internal Revenue Code.

With kind regards,
Sincerely,

MORTIMER M. CAPLIN,
Commissioner.

Mr. WILLIAMS of Delaware. Then, Mr. President, there were three very interesting editorials published following my earlier remarks, one appearing in each Washington newspaper. One, under the date of February 6, was in the Washington Daily News; one, under the date of February 7, was in the Washington Evening Star; and another was published in the Washington Post of Saturday, February 9. All comment upon my remarks. I ask unanimous consent that these three editorials may be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington (D.C.) Daily News, Feb. 6, 1963]

TAXPAYERS AND ADAM POWELL

It is rare that a Member of Congress will make a public issue of the use, or abuse, of taxpayer funds by another Member of Congress.

But Senator JOHN J. WILLIAMS, of Delaware, has provided one of those rare instances in a Senate speech about ADAM CLAYTON POWELL, Congressman from Harlem.

The Senator listed these favors for Mr. POWELL, courtesy of the Kennedy administration, at taxpayer expense:

The State Department, the Senator said, financed a Powell junket to Europe, "where he attended all the night spots of the European capitals."

(This was the Congressman's well-advertised trip last summer which he said was taken to study equal opportunities for women abroad. He took two women staff members along.)

The Health, Education, and Welfare Department, Senator WILLIAMS said, provided an outright grant of $250,000 in taxpayer money to a New York agency, incorporated by Representative POWELL and associates. This agency, according to HEW, was to set up an experimental "domestic peace corps" and an "urban service corps" to combat juvenile delinquency in Harlem.

(Comment by Senator WILLIAMS: "Mr. POWELL * * * is not the caliber of man whom the American people would want to set an example for the youth of our country.")

In addition, Senator WILLIAMS cited three applications by Representative POWELL and associates for Federal Housing Administration approval of mortgage insurance on housing projects for low-income and elderly residents. In the stage-by-stage custom of Federal agencies, these applications had been approved for processing, but not fully processed. Senator WILLIAMS' doubts about them are not calculated to speed the process.

Meanwhile the Senator pointed out, the Internal Revenue Service has claims against Mr. POWELL for alleged delinquent taxes assessed at $41,015. Cases now pending in the courts.

Taxpayers, meet ADAM CLAYTON POWELL.

[From the Washington (D.C.) Evening Star, Feb. 7, 1963]

A SENATOR AT WORK

Senator WILLIAMS, Delaware Republican, is a member of the Joint Committee on Reduction of Nonessential Federal Expenditures. He works at the job, and more power to him for it. He does not like boondoggling, or worse, at the taxpayers' expense, and neither should the taxpayers.

So it is that Mr. WILLIAMS has taken the Senate floor to place on the RECORD his report of a relationship between public funds and Representative ADAM CLAYTON POWELL, currently chairman of the House Education and Labor Committee, and serving his 10th consecutive term as the choice of the Harlem district of New York City. The Kennedy administration, Mr. WILLIAMS says, "has been shoveling the taxpayers' money" out to Mr. POWELL, and various agencies of the Government have been "scrambling around to see who could give Mr. POWELL the most favorable deal."

Mr. WILLIAMS cites some examples. One was "a tax-paid junket * * * financed through the State Department" for Mr. POWELL and "his lady friends" in Europe last summer. As publicized at the time, Mr. POWELL'S trip was for the purpose of studying "equal opportunities" of women abroad, and his companions were two female staff members of the House committee.

As a second case, the Delaware Senator cited an outright grant of $250,000 by the Health, Education, and Welfare Department to Mr. POWELL and associates for the purpose of setting up "a domestic peace corps" to study juvenile delinquency in Harlem. This action, Mr. WILLIAMS added, was "an insult to the intelligence of the American taxpayers." Mr. POWELL, he suggested, is better equipped to sponsor a study of adult delinquency. The Senator also mentioned applications for Federal Housing Administration mortgage insurance and related requests for real estate tax relief on several projects sponsored by Mr. POWELL and associates. And finally, Mr. WILLIAMS placed on the RECORD a letter from Commissioner of Internal Revenue Mortimer Caplin stating that the Government had notified Mr. POWELL that it "proposed to assess" him for more than $40,000 in tax deficiencies and penalties for the years 1949 through 1955.

Mr. POWELL'S personal and financial affairs have been discussed publicly before, but Mr. WILLIAMS' "wrap up" is more complete than most. The New Yorker reportedly is now in Puerto Rico—leaving his committee and such major legislative matters as the administration's aid-to-education program behind. Quite possibly neither Mr. POWELL nor his constituents care what is said, done, or not done. Even so, Mr. WILLIAMS' brief and documented presentation to the Senate should be required reading for a lot of taxpayers, for some Government officials, and for all Members of the House of Representatives, by whose sufferance Mr. POWELL holds his seat.

[From the Washington (D.C.) Post, Feb. 9, 1963]

POWELL'S PEACE CORPS

Whatever may be said about the propriety of an attack by a Senator upon a Congressman, there is a good deal to be said in favor of Senator JOHN J. WILLIAMS' bringing into the open charges against Representative ADAM CLAYTON POWELL. And whatever may be said about Mr. POWELL'S junketeering in Europe, the financing of his domestic peace corps, brought to light by Mr. WILLIAMS, raises a rather different and somewhat more serious question.

Representative POWELL and some associates established a body called Associated Community Teams, Inc., which in turn rented quarters from the Adam Clayton Powell Community Center, Inc., paying $24,000 for a year's lease; then Associated Community Teams, Inc., got a grant of $250,000 from the Department of Health, Education, and Welfare under the terms of a juvenile delinquency statute passed by Congress, of which, incidentally, ADAM CLAYTON POWELL is a Member.

If the name ADAM CLAYTON POWELL seems to appear repetitiously in this narrative, it is because ADAM CLAYTON POWELL appears to be acting in a number of capacities under a variety of hats. It may be that there is nothing wrong here and that all these ADAM CLAYTON POWELL'S have been working selflessly to do away with delinquency. But an explanation from ADAM CLAYTON POWELL, the Congressman, about ADAM CLAYTON POWELL, the realtor, and ADAM CLAYTON POWELL, the social worker, would be very much in order.

Mr. WILLIAMS of Delaware. Mr. President, before I conclude—and I appreciate the tolerance of the Senate—I should like to point out only a couple more of the manners in which it is sometimes so easy to confuse an issue by calling names or by making rash statements.

As I referred to earlier, this friend or "protege" of the Kennedy administration defends his record by calling "WILLIAMS a 'liar.'" Well, I am not going to get into a name-calling episode, Mr. President. I am not unmindful of the fact that on a previous occasion, when I was much younger than I am now, I received a good thrashing from my father for trying that. I was cautioned to remember always that when one starts name calling it is an indication that one recognizes that he has no argument to defend his case and that no man can throw mud without first dirtying his own hands.

I shall continue to refer to this man as a gentleman or as a friend of the Kennedy administration and let the record speak for itself as to his activities. But I will do my part to keep the RECORD straight. It is very easy for a man to establish his virtue by coming out and saying, "I never beat my wife last night" when no one ever suggested that he had beaten his wife the previous night.

I should like to make note of some of the statements made by this friend of the administration which he describes as an emphatic denial to charges which he referred to as "lies." I shall quote from his remarks of yesterday. He said, "It's a total lie" that the Federal Housing Administration—the FHA—"gave me $11 million in loans for the Adam Clayton Powell Foundation."

No one ever said that the Federal Housing Administration gave him $11 million in loans or in grants for this or any other foundation. I did say, and I say it again today, that the Federal Housing Administration was in the process of approving loans or mortgage guarantees which were negotiated by the Adam Clayton Powell Foundation for amounts of around $11 million on property which was costing only about $8½ million. Certainly, even though these loans had been approved they would not have paid the money direct to him. They were being negotiated by the Adam Clayton Powell Foundation in the name either of the foundation itself or of affiliated companies. Any loan approved would have been paid to the companies—not to any individual. There is no question about that. But he was associated with these companies. Let us not get "fuzzy" about a denial in saying, "I never got anything." He never would have gotten the money directly, even if approved. The money would have gone to the companies negotiating the loans. That kind of a denial is just a smokescreen.

In another of his so-called denials he resorted to a purely racial statement.

I regret this very much and flatly refuse to reply in kind.

Mr. President, I am very sorry that by denying something at which no man has ever hinted he would try to create an issue far different from that which we are discussing. We are discussing here financial transactions only.

At no time in the discussion of this case, or of any other case during the 16 years in which I have been a Member of the Senate, or on any other occasion while I will have the privilege of serving in this body, have I ever, or will I ever, refer to any man's race, religion, or nationality as having anything to do with the question at issue. For a man to inject that question in the form of a denial is merely again trying to cloud the issue and to divert attention from the real fact; namely, that he has no defense against my statement wherein I said that Government money has been poured out freely in the direction of this friend of the administration from New York.

And I am not going to be diverted from my efforts to obtain an accounting for every dollar.

As the majority leader pointed out, I regret to say that there has been far too much compassion by both administrations for this individual. I have said many times, Mr. President, and I repeat again, I do not think either political party has any monopoly on virtue. There are just as many members in the Democratic Party who are honest and law-abiding citizens as there are in our party. There are good men on both sides of the aisle.

But when a man does something wrong he should not be able to hide behind his cloak of immunity or in the shelter of any political party. We should not refrain from criticism because he is a Member of the Congress of the United States. I think we have a responsibility when we see something in any financial transaction which needs revealing. When we observe something wrong in the expenditures of the taxpayers' money we should call that to the attention of the people, and I care not who may be involved. We have a responsibility to call that to the attention of the people in a factual manner, based on facts which can be supported, not by innuendo, and to do so without any name calling. We should base our statements on facts, which is what I have tried to do here today. My statement here today is based on facts which were all obtained from the agencies in question.

If Senators will read this RECORD they will find that I have completely supported the statements I have made. That does not mean that I am infallible, but when I make a mistake I will correct it, but here the agency statements support my report.

I am not interested in engaging in any name calling—and I want to make that perfectly clear—whether it be on the floor of the Senate or outside the Chamber. I shall completely ignore all such tactics. I shall refer only to a man as he is involved in a transaction in which I may think there has been something wrong.

I wish to say here that my remarks on previous occasions and my remarks again today have been made not against the conduct or voting record of a Member of the Congress of the United States. But I will reserve my right to criticize outside activities involving expenditures of the taxpayers' money.

When any man forms a company on the outside, which is negotiating with the Federal Government for grants or loans, then the transactions of that company properly come under the scrutiny of Members of Congress.

I point out a glaring result of what could happen if we in the Congress ever adopted a procedure which is different. Recently the Symington committee did an excellent job in calling the attention of Congress and of the country to substantial overpayments in the stockpiling program as it had been administered. Suppose we adopted a rule that no company in which a Member of the Congress, of either the House or the Senate, held an important position could be criticized on the floor of the Senate. This would mean that all any company which was engaged in contracts with the Government and which wanted to perform a shady operation had to do would be to have a Member of the Congress on its executive board in an important position. Then under such a rule, all Members of Congress would automatically be prevented from criticizing the company or from casting any reflection on that Member of Congress.

We are not a privileged class that is above the law.

I know no one here has any intention of enforcing any such rule. That is the reason why no objection was made here today as I make these remarks. I know Members on both sides want these cases decided on the facts, and I appreciate the cooperation they have given me this afternoon.

The evidence presented here today was fully documented. No one is taking exception to it. It was presented under the rules of the Senate. I served notice to all Senators who are interested that I was going to make this statement. I repeated this notice three or four times during the time I was yielding to Senators earlier this afternoon. I know of no one who is interested in this subject who was not notified.

I want the RECORD to show again that this statement stands as criticism of the manner in which this administration has been pouring out the taxpayers' dollars in a loose manner to companies which had been formed by a Member of Congress.

I think such action was indefensible. I only wish the Attorney General, who went out of his way yesterday to brag about the operations of one of these companies, would cooperate in helping me obtain reports which I have been trying to get for the past 2 weeks as to how they have been spending the money. All interested Members of Congress should be able to examine how these expenditures are being made.

Mr. President, on one last point, in the Daily News of today it was stated that the gentleman from New York defended his European junkets with two women staffers during last summer's congressional session, by saying:

> I made the only survey on the Common Market on the U.S. economy. The women on my staff went to other areas and as a result the House passed an equal-pay-for-equal-work bill for women, but it died in the Senate.

I thought it would be interesting to put in the RECORD at this time the fact that H.R. 11677, which was the so-called bill for equal pay to prevent discrimination on account of sex in the payment of wages by employers, was reported by the House committee on May 17, 1962. and it passed the House on July 25, 1962. This was 2 weeks before the trip to Europe began.

WHITE HOUSE TO CONTROL STUDENT JOB PATRONAGE

Mr. MILLER. Mr. President, an article by Mr. Joseph Young, which appears on the front page of today's Washington Evening Star, merits comment.

The article is captioned: "White House To Control Student Job Patronage," and states that a so-called clearance system has been set up whereby the names of all students who have filed applications for summer employment in Government agencies will be sent to the White House. A White House aid reportedly did not deny that political patronage is one of the aims of the new clearance system.

Mr. Young reports that the feeling among Government career personnel officers is that it is wrong to play politics where young people are concerned, particularly among college students who are the Government's hope for the future as far as filling key career jobs is concerned.

Mr. President, the purpose of this summer employment program is to provide training to young college men and women who we hope will see fit to make a career in the nonpartisan civil service of our country. It is completely contrary to the purpose of the program to let partisan political patronage creep in when it comes to selecting these summer trainees.

I do not know why it is that this administration feels such an irresistible urge to play politics with our civil service system. First there was the shocking directive to civil service employees that they would be expected to participate in trying to sell proposed new programs to the general public. This was belatedly and grudgingly withdrawn due to the general revulsion of the public in general and career civil service employees in particular. Next our civil service employees were pressured to buy $100 tickets to the Democratic fund raising dinner here through the clever device of having them invited to cocktail parties of their bosses if they had purchased a ticket. Numerous incidents of this untoward behavior were reported in the Washington press. And now, this administration apparently is not going to wait until people have civil service status for an opportunity to engage in partisan political activities. Now the proposal is to go to work on the trainees them-

selves—young college men and women, most of whom are not even old enough to vote. Those with the right political connections will find that they are given preferential treatment over those with the wrong political connections or with none at all.

This is wrong, Mr. President. And I hope that the White House will swiftly make it clear that partisan political considerations will play absolutely no part whatsoever in the consideration of the applications for summer trainee positions, and that the treatment of these applications will make it clear beyond question that such a policy is indeed being followed.

I ask unanimous consent that the article by Mr. Young be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHITE HOUSE TO CONTROL STUDENT JOB PATRONAGE

(By Joseph Young)

The White House has taken control over the patronage of the more than 10,000 student summer jobs in Government.

At a White House meeting last week, which was held without the knowledge of the Civil Service Commission, some of President Kennedy's aids met with the political appointees of various agencies who are involved in patronage work.

A clearance system was set up whereby the names of all students who have filed applications for summer employment in Government agencies will be sent to the White House.

The State from which the student hails, plus the college he is attending (if any), will be included in the information sent to the White House.

WASHINGTON JOBS

The jobs mainly are in Washington and last from June through August.

Mrs. Dorothy Davies, a White House staff assistant, who was in charge of the meeting, said the purpose of the new system was to assure coordination in order that the agencies could make best use of the students' talent.

Miss Davies did not deny that political patronage is one of the aims of the White House clearance system, but declared that the Kennedy administration's primary concern is that the student talent be put to the best use possible and groomed for regular Federal employment when they graduate.

Civil Service Commission officials have privately expressed dismay at the latest turn of events.

While there has always been quite a bit of personal patronage involved in summer Government jobs, applicants have had to pass civil service exams for clerical, typists, and stenographer jobs. And in the case of student trainee jobs, in which college students take Federal summer employment in connection with what the Government hopes will be their Federal professions after graduation, they are selected from civil service registers.

TOP YOUTHS CERTIFIED

The feeling among Government career personnel officers is that it is wrong to play politics where young people are concerned, particularly among college students who are the Government's hope for the future as far as filling key career jobs are concerned.

It's no secret that a goodly portion of the summer student jobs are filed on a personal patronage basis each year. Government officials—political and career—have hired their own sons and daughters as well as the children of friends or Members of Congress. However, the CSC has been careful to certify only the top qualifiers on the student trainee exam.

The White House job clearance system may be an effort to channel these jobs in a more political patronage area, whereby more sons and daughters of Democratic Members of Congress and key Democratic supporters and contributors may get summer jobs in Government.

Congress has shown increased interest in these summer jobs. Last year the House approved a bill to apportion these jobs on a State-by-State basis. This would have the effect of giving most of these jobs to students outside of the Washington area. However, the Senate failed to act on the bill before adjournment.

MOVE BILLS THIS YEAR

This year a half dozen bills have been introduced in Congress to achieve the same objective.

In discussing the White House job clearance system, Miss Davies said it was a move to channel the best possible talent to the places in Government where it could be used most effectively.

She said that, for example, if an agency finds that its summer job vacancies are all filled up, a place for a bright student could be found in another Government agency through a coordinated placement system set up in the White House.

Miss Davies refused to answer directly whether the program also involved political patronage, other than saying that there always has been some patronage in summer student jobs in Government.

Presumably, students still will have to pass an exam to get the summer jobs.

Last year's Government summer job program for students was given great emphasis by the administration, with President Kennedy and other top Government officials addressing the students.

Mr. JAVITS obtained the floor.

Mr. MANSFIELD rose.

Mr. JAVITS. Mr. President, I yield to the majority leader, on condition that I do not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

RULE XIX OF THE SENATE

Mr. MANSFIELD. Mr. President, before I propound a unanimous-consent request, I should like to make brief reference to rule XIX. There is a reason why rule XIX exists. The rules are designed to maintain an atmosphere of courtesy and comity between Members of the Senate. In my opinion, the same spirit should prevail between Senate and House Members. I do not question any Senator's right to put facts in the RECORD; indeed, I welcome it and urge Senators to continue to do it. However, there is always the danger that comment on Members of Congress will fall into harsh and contemptuous acrimony, with a consequent breakdown in relations between Members.

I make this statement at this time in order to bring a word of caution to Senators.

Mr. WILLIAMS of Delaware. Mr. President, I assure the Senator from Montana that I agree completely with the statement he has made. I stated at the beginning of my remarks that the Senate could not properly function without such a rule. I hope I have always kept my remarks in proper perspective, and will always continue to do so. We must be careful not to attribute unworthy motives to other Members of Congress, whether they be Members of the House or of the Senate. We must not question their integrity.

However, there is a difference with respect to outside activities.

I am in complete agreement with what the Senator has said. At the same time, the rules must provide as they do; otherwise, a Member of Congress would be immune from any exposure of wrongdoing. The Senator from Montana does not have that in mind.

I want to make it clear, as I have said before, that I know the Senator from Montana is one of the fairest majority leaders we have ever had, and one of the ablest that I have ever had the privilege to serve with in the Senate.

THE SENATE ESTABLISHMENT—UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE

Mr. MANSFIELD. Mr. President, after consultation with the distinguished senior Senator from Pennsylvania, I submit a unanimous-consent request, and ask for its immediate consideration.

The PRESIDING OFFICER. The proposed unanimous-consent agreement will be read.

The legislative clerk read the proposed agreement as follows:

Ordered, That, effective on Monday, February 25, at 12 o'clock noon debate on the amendments to be offered by the Senator from Pennsylvania [Mr. CLARK] (S. Res. 91, 92, and 93) to S. Res. 90, to amend rule XXV, be limited to 2 hours to be equally divided between the Senator from Montana [Mr. MANSFIELD] and the Senator from Pennsylvania [Mr. CLARK] and that the Senate proceed to vote on the said amendments not later than 2 o'clock p.m.; and that immediately following the disposition of the Clark amendments the Senate proceed to vote on S. Res. 90, as modified.

Mr. MANSFIELD. I understand that the limited debate period is to start at 12 o'clock and that the vote will come on the Clark resolutions at 2 o'clock, and that at the conclusion of that vote the Senate will vote on Senate Resolution 90.

The PRESIDING OFFICER. Is there objection?

Mr. CLARK. Mr. President, reserving the right to object—and I shall not object—I desire to make a brief statement. Earlier today the majority leader was kind enough to show me a statement in writing which he subsequently made on the floor of the Senate. He asked me to be present when he made that statement. On reading it, it seemed to me that it was entirely unobjectionable, and stated a procedure with which I am in complete accord. Therefore I obtained his approval for me to leave to keep a speaking engagement downtown at lunch.

I would like to say for the record that I am in complete accord with the statement that the business of the Senate should be conducted expeditiously.

It has been my purpose ever since I came to the Senate to sponsor—so far

without success—rules which would permit, and indeed require, that the business of the Senate be expeditiously conducted. Failure to adopt the suggested rules, in my opinion, has been largely, if not entirely, responsible for the fact that the Senate has as yet transacted little legislative business at this session.

In my opinion there was no need to rush the vote on the resolution presented by the Senator from Montana and on the amendments to rule XXV which I intended to bring up and with respect to which I gave written notice yesterday. I would like to reserve my right to withdraw or modify the amendments that I have filed at the desk at any time before the final vote, because I do not wish to be committed to anything other than to have the matter concluded at 2 o'clock on Monday.

If that is implied in the unanimous-consent request, I am happy to concur in the request of the majority leader.

Mr. MANSFIELD. That is perfectly agreeable. It is the understanding that the proposed unanimous-consent agreement refers to the Clark resolutions as amendments to Senate Resolution 90.

Mr. CLARK. It is understood that I have reference to Senate Resolutions 91, 92, and 93.

Mr. MANSFIELD. As amendments to Senate Resolution 90.

Mr. HRUSKA rose.

Mr. JAVITS. Mr. President, I yield to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, it is contemplated that the vote would be had in any event on the resolution proper, as distinguished from the amendments proposed thereto?

Mr. MANSFIELD. That would be up to the Senate. It would be separate. However, if the Senator from Pennsylvania desires a particular kind of vote on the resolutions which he will offer as amendments to Senate Resolution 90, that is his privilege.

Mr. JAVITS. Mr. President, I may not be present on Monday. I have a longstanding engagement to appear at a convocation of the Jewish Theological Seminary in Miami, where I am to receive an honorary degree.

I will not interpose any objection to the proposed agreement. I say that only because of the colloquy and discussions this morning to the effect that we must get on with the business of the Senate.

I respectfully submit what I think is a very valid statement from the point of view of those of us on the so-called liberal side—and that includes the majority leader. We will never try to interject our personal commitments and requirements if there is a hope of reaching a vote, as would be the case pursuant to the proposed agreement. I make this statement in view of the discussion earlier as to how fast the Senate can get on with its business.

Mr. MANSFIELD. I appreciate the statement of the distinguished Senator from New York. If he is not present on Monday, I am prepared to arrange a live pair for him.

Mr. CLARK. Mr. President, in view of the unanimous-consent request made by the majority leader, in which I concur, I hope that at the conclusion of the speech of the Senator from New York, which I assume will be nongermane to our discussions of the pending business, I will be able to obtain the floor and deliver at least a portion of the continuing speech which I started yesterday. If I cannot complete it today, I will deliver the rest of it tomorrow. In that way time will be available on Monday for additional debate.

I understand that the Senate will not convene on Friday for any other purpose than the reading of Washington's Farewell Address, and that the Senate will not meet on Saturday. Is that correct?

Mr. MANSFIELD. The Senator is correct.

Mr. CLARK. Under those circumstances, I am happy to join in the request of the majority leader.

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Senate Resolution 90 and that the resolution be made the pending business.

The PRESIDING OFFICER. The Chair wishes to ask if any Senator has objection to the proposed agreement. Without objection, it is so ordered.

The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 90) that rule XXV of the Standing Rules of the Senate be amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the resolution.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the business for today has been completed, the Senate adjourn until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM THURSDAY, FEBRUARY 21, TO FRIDAY, FEBRUARY 22, 1963

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it adjourn until 12 o'clock noon on Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM FRIDAY, FEBRUARY 22, TO MONDAY, FEBRUARY 25, 1963, AT 11 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns on Friday next, it adjourn until 11 o'clock a.m. on the following Monday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FATE OF WORLD UNITY

Mr. JAVITS. Mr. President, while the Senate is debating its rules, the world is moving forward in its critically important ways. One of the ways relates to the veto by France of the admission of the United Kingdom to the European Economic Community.

I have received, in the name of the Joint Economic Committee, from Under Secretary of State George W. Ball, a letter bearing upon U.S. policy with respect to the refusal of the admission of the United Kingdom to the European Economic Community, and the consequences of that action, which is so portentous for American policy that I think it requires discussion on the floor of the Senate.

As I said when I opened my remarks, while the Senate debates issues which appear to us to be vital—and they are, as they affect the country and the world—the world is marching on in many ways which are very seriously affecting our national security and our national interests.

This declaration of policy by Under Secretary of State Ball arises from a question which I put to him when Secretary of the Treasury Dillon appeared before the Joint Economic Committee on January 31, 1963, in connection with our annual analysis of the President's economic report. I asked Secretary Dillon the following:

> In view of the changed situation caused by the EEC's rejection of the British application for membership, what is the administration's policy as it affects the Trade Expansion Act of 1962 and other aspects of our relationship with the European Economic Community, the United Kingdom, the British Commonwealth, and the European Free Trade Association?

This letter purports to state the American policy. I wish to say at the outset that the letter does not state, in my view, an ultimate policy to be pursued by our Government in respect of this critical situation. Second, it is very clear from the letter that the United States had no alternate policy when the whole world was visited with the thunderclap of General de Gaulle's veto of Britain's admission into the European Economic Community. I believe it is a very perilous situation to be caught not having an alternate plan under those circumstances. To that extent I am critical. I believe we should have had an alternate course of procedure which could have been offered to the British Commonwealth at that particular moment, in view of the tremendous blow to their prestige and standing in the world, which was represented by that veto of General de Gaulle's.

As to the second point—that we have not yet adopted a policy—I am not critical, because it is a question of time. I speak in the second part of my remarks in order to help our Government to develop such a policy. I understand from commentators in the press and from such information as I have been able to gather that the President of the United States is leading an American team, as it were, in the effort to devise such an alternative policy right now. Therefore, it is very pertinent to make any suggestions which one can make at this time.

Mr. President, the expression of these two ideas—the idea of being critical

because there is no alternate plan, and was none at the moment of pressure, at the moment of danger to the free world community—and the idea of advancing the proposed plans, which I believe we ought to engage in in respect to this matter, leads me to an expression of what we ought to mean when we speak of a bipartisan foreign policy. A bipartisan foreign policy does not mean that we are silent. It does not mean that we refrain from criticism. It means that when we criticize, we criticize in the expectation of helping our Government to develop its policy and to achieve its proper objectives. That is the spirit in which I speak today.

A number of things stand out very markedly from the letter which Secretary Ball has written. First and foremost, and very importantly, the letter demonstrates that the United States had no alternate plan. In fact, time and again the testimony of Under Secretary Ball before the committees of Congress, which were considering the Trade Expansion Act of 1962 last year, indicated that although we said that Britain might not gain admission to the Common Market, for all practical purposes we were absolutely banking upon her admission. As a practical matter, we really had no expectation of any alternate plan on our own part which might be brought into existence or which might be sprung into action if, as a matter of fact, Great Britain was not admitted to the European Common Market.

We made it clear—and Under Secretary Ball's letter bears that out—that we did not seek to influence our European friends to take the United Kingdom into the Common Market. I now quote Under Secretary Ball:

> We have been frank in stating that, in our view, the accession of the United Kingdom to the Rome Treaty would contribute an economic strength and political cohesion to Europe, and thus advance prospects for a full and effective Atlantic partnership.

So we used our prestige, but we did not use any measure of resource, which we might have had to in order, as the Secretary puts it, to influence the decision.

In Under Secretary Ball's testimony for the various committees of Congress, he constantly reiterated the fact that there might be no prediction as to the entry of the United Kingdom into the European Common Market, but it was obvious that such admission was taken for granted. For example, he said, at page 2200 of the Senate hearings:

> If, as appears likely, the current negotiations lead to the accession of the United Kingdom to the Treaty of Rome.

That is the European Common Market.

I quote further from page 2240 of the Senate hearings:

> The current negotiations between the United Kingdom and the Community are being shaped to a considerable extent * * * by the expectation of the Trade Expansion Act itself.

Under Secretary Ball made a very interesting point at page 2261 of the hearings, when he said:

> Opponents of the entry of Britain into the Common Market could say there was an alternative presented to Britain which had not been available before. They would say that the United States had given up hope that Great Britain was going to enter the Common Market.

Therefore, the United States should not provide itself with an alternative. It is one thing not to offer the British an alternative; it is another and very important thing not to have one, and that was the posture in which we found ourselves when De Gaulle vetoed Great Britain's admittance to the European Economic Community.

It seems to me that for a great power like the United States to be caught in that situation is a very serious matter. It is something which we must recognize and face. It is a serious lack in our own form of foreign policy organization.

This year Under Secretary Ball said in the letter to the Joint Economic Committee:

> While we continue to regard the ultimate accession of Great Britain to the Rome Treaty as an objective to be encouraged, we recognize that it is unlikely to occur for some time.

In other words, we have gone completely to the other extreme. Whereas, before we absolutely banked on Britain's admittance to the European Economic Community and had no alternative plan with which to meet a denial of that situation, now we have gone to the other extreme, and we do not expect it to occur for some time.

Mr. President, the question I ask is, "Are we going to be caught flatfooted again if the other five of the six European countries in the Economic Community should, by some happenstance, be successful in getting de Gaulle to change his mind about bringing Great Britain into the European Common Market?"

So the first point I should like to make as to the policy of our Government, which the President is now developing, is that we must plan not only for the situation which we face today, in which Britain is denied admittance to the Common Market; we must also plan for a situation which we must face tomorrow, when she will be admitted. I hope, therefore, that the next time we will not be caught, as it were, "with our pants down" in international trade terms, in the face of some new, relatively unexpected developments on the international scene.

Next, it is stated in Under Secretary Ball's letter that the French decision was a political decision, and that we had been given every assurance that France would not veto Britain's admittance on political grounds.

Mr. President, I make that statement because, again, it represents a reargument as to whether General de Gaulle was at fault in this matter. Some very hard words have been said on that score; and at the moment I, myself, express great disappointment—while giving the general credit for being the great general he is and for bringing France out of defeat in the war. Nevertheless, I think the time has come to declare a moratorium on calling him hard names; I think that will not advance the situation at all. If anything, I think it may very well harden positions which have been taken. So I hope our Government and other governments will end that phase of the debate. Instead, let us face the realities, and try to do something constructive now.

So the question is, What program can we espouse now to help us in this situation?

Before I discuss that point, let me recount what we are dealing with, because we must understand the enormous magnitude of the questions with which we are engaged.

The United Kingdom is the third best customer of the United States. It does 10 percent of its trade with us, and does 16 percent of its trade with the six countries of the European Economic Community. We are the leading customer for British machinery and transport equipment, leather and wool textile manufacturers and, of course, the well-known Scotch whisky. Britain is, in turn, among the top European purchasers of our machinery, grain products, fats and oils, nonferrous metals, textiles, pulp and paper, and fruits and vegetables. During 1961, Britain, combined with Canada, Australia, and New Zealand, which also are threatened with exclusion from access to the European Common Market countries—took $5.2 billion of our exports—in other words, somewhat in excess of 25 percent of all our exports. Incidentally, that is $1,600 million more than the European Economic Community nations combined took from us. I mention that because it is most important that we understand the involvement of our country with this problem, both as regards the European Common Market and as regards the British Commonwealth.

Before I discuss what we should do now, I wish to mention first—because I like what Under Secretary of State Ball has said on that subject—what we should not do. He has stated that very clearly, as follows:

> Since General de Gaulle's press conference on January 14, suggestions have been put forward for the United States to join in special commercial relations with one or another group of nations to form a trading bloc competitive with the European Common Market. We do not believe that this would be sound policy. For 30 years, the United States has consistently adhered to the most-favored-nation principle and to the expansion of trade on a nondiscriminatory basis. For us to enter into preferential trading relations with any nation or nations would mean discrimination against all other nations. Such a policy would be inconsistent with our position as the leader of the free world.

I thoroughly agree.

So, Mr. President, now I address myself to the question of what we should do.

The prescription given by Under Secretary Ball—and I am sure he has expressed the present view of the administration, whatever may be its view when the President gets through with developing the policy—is as follows:

> First, we shall continue to encourage the development of European unity and to express the hope that arrangements may ultimately be made for the accession of Great Britain to full membership in the EEC * * * but we realize that it is unlikely to occur for some time.

So his first prescription is to encourage the development of European unity, but assuming that Britain will not get into the European Common Market.

His second prescription is as follows:

Second, we shall seek to advance the arrangements for close economic cooperation with Europe through the OECD. We shall also continue to develop close cooperation in the monetary field through the IMF, the Committee of Ten, and working party 3 of the OECD.

Well, we are doing that. No one knows whether that will or will not lead to any trade deals; but it is a fact that we will be dealing or trading under the Trade Expansion Act. However, I do not believe the OECD will be very important in that connection. So I see no affirmative policy coming from that.

Then Under Secretary Ball states:

Third, we shall continue to work toward the strengthening of NATO and the development of adequate conventional forces in Europe. We see dangers in the proliferation of national nuclear deterrents but we recognize the desire of Europeans to play a full role in their own nuclear defense. We have, therefore, proposed the creation of a multilateral nuclear force, within NATO, and we reached agreement with the British Government at Nassau for the mutual support of such a force.

Again I point out that this is only stating the obvious; it is what we have already been through in terms of where we stand with the British. It does not deal multilaterally with the European nuclear force or the methods for its control or what it shall consist of. We are advised by this letter, and also by the news ticker of this morning, that Ambassador Livingston Merchant will go to Europe next week for exploratory discussions of this subject. But again I point out that this does not represent a policy which we have developed and are pursuing—not as yet.

Then Mr. Ball states:

Fourth, we intend to utilize to the fullest the powers granted to the President under the Trade Expansion Act in order to improve access to the European Common Market as well as other major world markets for products of U.S. farms and factories.

Again that restates the obvious, because it is precisely what we have been through until now, and, it is what Secretary Herter was appointed for.

Finally, Mr. Ball states:

Fifth, we propose to continue to develop techniques to improve the cooperation of the major industrialized powers in providing assistance to the less-developed countries.

And so on. Of course, that is what the OECD was set up to do, and that is what we would expect it to engage in. But, again, that does not represent an alternative policy, for Great Britain and the British Commonwealth, to its accession to the European Common Market.

I urge upon our Government, Mr. President—notwithstanding the generalizations Under Secretary Ball has sent us, which indicate clearly to me that we have no policy—a very basic policy in terms of the United Kingdom and the British Commonwealth situation—namely, our expression of readiness to offer a trade deal to Great Britain and the British Commonwealth and to other nations threatened by exclusion from the European Economic Community. Such a trade deal need not be exclusive; it need not be what Under Secretary Ball calls in his letter a competitive trading bloc. It need not exclude the European Economic Community. On the contrary, by the application of the most-favored-nation clause, the very nations of the European Economic Community should be able to get full advantage of it; but it would recognize that the United Kingdom and the British Commonwealth—including Canada, our very close and direct neighbor—faced an unusual situation when Britain decided to reorient her entire economic outlook by applying for membership in the EEC, but was frustrated from that, although that result would have made a great difference to the Commonwealth countries, as regards the need for them to make new trade contacts.

Mr. President, I ask unanimous consent to have the entire letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
February 20, 1963.

SENATOR DOUGLAS RELEASES STATEMENT ON THE CONSEQUENCES OF THE BREAKDOWN IN NEGOTIATIONS BETWEEN THE UNITED KINGDOM AND THE COMMON MARKET COUNTRIES

Senator PAUL H. DOUGLAS, Democrat, of Illinois, chairman of the Joint Economic Committee, today released a letter from the Honorable George W. Ball, Under Secretary of State. The letter provides a statement of the administration's appraisal of the implications for the foreign economic policy of the United States of the breakdown in negotiations between the United Kingdom and the European Economic Community, or the Common Market.

The letter was sent in response to a Joint Economic Committee resolution, presented in the form of a question posed by Senator JACOB K. JAVITS, Republican, of New York, to the Honorable C. Douglas Dillon, Secretary of the Treasury, during his testimony before the Joint Economic Committee on January 31, 1963. The question read, as follows:

"Mr. SECRETARY: In view of the changed situation caused by the EEC's rejection of the British application for membership, what is the administration's policy as it affects the Trade Expansion Act of 1962 and other aspects of our relationship with the EEC, the United Kingdom, the British Commonwealth, and the European Free Trade Association?"

In releasing the letter Senator DOUGLAS said, "This letter ordinarily would be made available to the public in the committee's printed record of its recent hearings on the President's Economic Report. The statement deals with a topic so vital to the economic and military strength of the free world that a separate release is desirable in order to bring the matter to the attention of the Congress and the American people without further delay."

THE UNDER SECRETARY OF STATE,
Washington, February 15, 1963.

The Honorable PAUL H. DOUGLAS,
U.S. Senate.

DEAR SENATOR DOUGLAS: Secretary Dillon has called my attention to the transcript of his testimony before the Joint Economic Committee on January 31. In the course of his colloquy with the committee several members expressed an interest in the administration's appraisal of the implications for the U.S. foreign economic policy of the breakdown in negotiations between the United Kingdom and the EEC.

The significance of this event can best be appraised in relation to other trends and events involved in the evolution of U.S. policy toward Europe.

I

It is generally recognized that the progress of Europe toward unity has been among the most constructive and promising achievements of the postwar period. Through the creation and development of the European Economic Community, Europe has moved a long way toward economic integration. That goal, however, is far from full attainment and many difficult problems remain.

The United States has consistently encouraged the nations of Europe toward greater unity. Both the legislative and executive branches of our Government have provided this encouragement—by word and by action. We regard greater European unity as essential primarily for political reasons—although, over the long run, the United States should also benefit economically from the contribution of the Common Market to a higher level of European economic activity.

A United Europe would eliminate the frictions and jealousies that have been the cause of so many past conflicts—conflicts that on two occasions have embroiled the whole world in catastrophe. Moreover, a unified Europe could effectively mobilize the common strength of the European people. It should thus be able to play the role of equal partner with the United States, carrying its full share of the common responsibilities imposed by history on the economically advanced peoples of the free world.

II

The basis for such a partnership is hard economic fact. In the North Atlantic world—Western Europe and North America—there is concentrated 90 percent of all free world industrial strength as well as the great bulk of the free world's technical skill and knowledge. This combined resource must be put to the defense and advancement of the free world.

Combined action is particularly important in three areas:

First, Europe and North America must join in a common defense against the aggressive ambitions of the Communist bloc. The defense of Europe is vital to the United States as well as to Europe itself. It is a costly task; the growth of European strength permits Europe to make an increasing contribution to it.

Second, the national economies of the nations comprising the great industrial complex of the North Atlantic are interdependent. This is becoming increasingly evident. A slowdown in growth rates in Europe could adversely affect our own growth rate, while an American recession would have serious repercussions in Europe. Our balance-of-payments deficit is, to a large extent, the mirror image of balance-of-payments surpluses of certain major European countries. If one nation or area adopts restrictive commercial policies, those policies will find reflection in compensatory or retaliatory actions by its trading partners.

The recognition of this economic interdependence has led us to seek new means to coordinate and harmonize our domestic economic policies. Substantial progress toward this end has been achieved through the Organization for Economic Cooperation and Development. Much further progress is required.

Third, the major industrialized areas of the free world—the Atlantic nations—must commit large amounts of money, equipment and skill to assist the less-developed countries in raising their standards of living, if

political stability is to be achieved and the dangers of subversion reduced. The effective utilization of free world resources for this purpose requires a high degree of coordination of effort. We are beginning to achieve that coordination through the Development Assistance Committee of the OECD.

Fourth, if the resources of the free world are to be efficiently utilized obstacles to the free flow of international trade must be reduced and trade expanded under conditions where the forces of comparative advantage can fully operate. This means that American goods must have greater access to the European markets while we must provide greater access for European goods to our own markets. Just as in other fields, benefits and obligations must be reciprocal.

III

During the past few years U.S. policy has been increasingly based on the belief that these common tasks could best be achieved by the pursuit of two parallel lines of action—the attainment by Europe of a greater unity so that the European nations may act on a widening subject matter through common institutions and the attainment of a high degree of Atlantic cooperation through institutional arrangements designed for that purpose.

We have also felt that the effectiveness of our European partner would be greatly enhanced if a unified Europe were expanded to include the United Kingdom. We were, therefore, gratified when the United Kingdom Government decided to apply for membership in the European Economic Community. We recognized at that time, as we do now, that the organization of Europe was a problem for the Europeans, and that it involved grave national decisions for the participating nations. We have not, therefore, sought to influence these decisions, but at the same time—since we have been repeatedly asked by our European friends—we have been frank in stating that, in our view, the accession of the United Kingdom to the Rome Treaty would contribute to the economic strength and political cohesion of Europe and thus advance the prospects for a full and effective Atlantic partnership.

During the course of the negotiations for the accession of Great Britain to the EEC—the U.S. Government was repeatedly assured by the six, including the French Government—that none of the parties had any political objection to United Kingdom membership in the EEC. We recognized, at the same time, that the negotiations involved complex technical and economic problems—and there was always the possibility that these problems might not be solved to the satisfaction of all parties. We, therefore, recognized the possibility, although not the probability, that these negotiations would break down.

The veto of the French Government terminating the negotiations occurred at a time when the technical and economic problems were well on their way to solution. This has been made clear by the statements issued by the Commission of the European Economic Community. In our opinion, the action of the French Government must be regarded as motivated primarily by political reasons.

It is still too early to know with precision what the French Government's veto may imply for future French policy. It seems clear enough, however, that this action has not changed the underlying facts that have dictated the need for greater European unity or effective Atlantic cooperation. We believe, also, that these facts are generally understood by the great body of European opinion.

They can be briefly summarized:

1. Europe cannot defend itself today by its own efforts; its defense rests heavily upon the overwhelming nuclear strength of the United States.

2. The nuclear defense of the free world is indivisible.

3. The great industrial economies of the North Atlantic countries are to a high degree interdependent.

4. To reap the full economic benefits of this interdependence requires a free flow of trade.

5. The urgent needs of the newly developed nations require effective common effort on the part of the major industrialized powers of the free world.

The existence of these facts, it seems to us, determines the broad policy lines that we intend to pursue.

First, we shall continue to encourage the development of European unity and to express the hope that arrangements may ultimately be made for the accession of Great Britain to full membership in the EEC. Recent events have demonstrated a substantial body of European opinion in favor of Britain's participation in a uniting Europe and the British Government has made known its own desire that the United Kingdom should play a full role in this development.

But while we continue to regard the ultimate accession of Great Britain to the Rome Treaty as an objective to be encouraged, we recognize that it is unlikely to occur for some time. Meanwhile recent events do not appear to have destroyed the vitality of the strong European drive toward unity nor seriously impaired the value of the integration so far achieved through the EEC. Obviously, it is in the interests of the whole free world that the EEC develop in an outward-looking manner and that it not acquire autarchic characteristics. We propose to use our influence to this end.

Second, we shall seek to advance the arrangements for close economic cooperation with Europe through the OECD. We shall also continue to develop close cooperation in the monetary field through the IMF, the Committee of Ten, and working party 3 of the OECD.

Third, we shall continue to work toward the strengthening of NATO and the development of adequate conventional forces in Europe. We see dangers in the proliferation of national nuclear deterrents but we recognize the desire of Europeans to play a full role in their own nuclear defense. We have, therefore, proposed the creation of a multilateral nuclear force, within NATO, and we reached agreement with the British Government at Nassau for the mutual support of such a force. Ambassador Livingston Merchant is going to Europe next week for exploratory discussions.

Fourth, we intend to utilize to the fullest the powers granted to the President under the Trade Expansion Act in order to improve access to the European Common Market as well as other major world markets for products of U.S. farms and factories. Governor Herter intends to press liberalization of trade as rapidly as possible.

Since General de Gaulle's press conference on January 14, suggestions have been put forward for the United States to join in special commercial relations with one or another group of nations to form a trading bloc competitive with the European Common Market. We do not believe that this would be sound policy. For 30 years, the United States has consistently adhered to the most-favored-nation principle and to the expansion of trade on a nondiscriminatory basis. For us to enter into preferential trading relations with any nation or nations would mean discrimination against all other nations. Such a policy would be inconsistent with our position as the leader of the free world.

You and Congressman REUSS have raised the question of the adequacy of the powers provided by the Trade Expansion Act if it should develop that the United Kingdom does not become a member of the EEC prior to the opening of the Kennedy round of negotiations. You have introduced legislation that would so amend the act that the scope of the so-called predominant supplier clause would be unaffected by the failure of the United Kingdom-EEC negotiations. The administration's position with respect to this proposed legislation was stated by the President at his press conference of February 7 when he said:

"No; we haven't planned to ask the Congress, because we do have the power, under the trade expansion bill, to reduce all other tariffs by 50 percent, which is a substantial authority. We lack the zero authority.

"On the other hand, it is going to take some months before these negotiations move ahead. It is possible there may be some reconsideration of the British application. I would be responsive and in favor of legislation of the kind that you described. It is not essential, but it would be available, and if the Congress shows any dispositions to favor it, I would support it."

Fifth, we propose to continue to develop techniques to improve the cooperation of the major industrialized powers in providing assistance to the less-developed countries. This does not mean the abandonment of national programs of assistance but rather their more effective coordination. At the same time, we shall try to assure a greater contribution to this common effort on the part of the European countries.

The broad lines I have described suggest the general directions of our policy. These policy goals have been and will continue to be pursued through a variety of instrumentalities and in a variety of forms. The veto of British accession to the EEC is not an insuperable obstacle to those policies. In 1954, the French Assembly turned down the European Defense Community Treaty, but the next few years were years of unprecedented progress toward European integration along other lines. The basic soundness of U.S. policy was not affected.

So today we have sought to chart a course that corresponds to the requirements of U.S. interest—to pursue a positive line of policy rather than merely to react to, or to follow, the policies of other governments. This seems to us the only posture befitting the leading Nation of the free world.

Sincerely yours,

GEORGE W. BALL.

Mr. JAVITS. Mr. President, we heard a good deal about the opposition of Australia to the British joining the European Common Market. All of that is left up in the air by the frustration of Britain's application. Britain and the Commonwealth are altogether too important for the free world security and for free world success to be left in that posture for very long.

The President of the United States discussed with Prime Minister Macmillan at Nassau what should be done when we cause such an upset in British political life by the determination with respect to the Skybolt and the way in which it was handled. It seems to me that it is that kind of summit to which not only Britain, but also the Commonwealth countries as well are entitled in respect of a trade deal with the United States, to put it in some situation so that it may meet present exigencies which Britain and the Commonwealth countries face most urgently in view of the rejection of Britain's application for admission to the European Common Market.

The trade expansion bill, the administration has said, which enables it to reduce tariffs by as much as 50 percent, gives it substantial authority with which

to start to negotiate such a trade deal. If more is needed, I believe the Congress will supply it.

The Congress guessed wrong with respect to the Trade Expansion Act and dropped from the Trade Expansion Act the provision, added in the Senate, which would have enabled us at least to make 100-percent tariff deals on certain items with the European Free Trade Association, of which Great Britain is a member, notwithstanding the fact that the Senator from Illinois [Mr. DOUGLAS] and I urged such an amendment. I urged a broader one, which we still need, which would provide that we might make such trade deals with any fully developed industrial nation of the free world. The administration accepted the bill without that provision. Hence, that made the 80-percent clause, so-called, practically useless because it assumed that Britain would be in the Common Market. Hence, our ability to negotiate for complete tariff forgiveness on any item with the Common Market or with Britain is materially impaired, unless Congress adopts a suitable amendment to the Trade Expansion Act of 1962. The administration has the 50-percent authority, but it does not have the 100-percent authority in any practical way. I am confident that if the President felt that a trade deal with the British and with the Commonwealth required an extension of that authority, there would be every likelihood that the Congress would look sympathetically also at the desire to help Britain in what I call Britain's hour of trial.

I would like to impress upon the administration, at a time when it is obviously developing its policy with respect to this thunderclap which has been administered to the free world community and to free world strength, the idea of a trade deal with Britain and with the Commonwealth. It would not exclude others, because the most-favored-nation clause would bring in others, including European Common Market countries, but it would be especially directed toward the urgent problems which Britain and the Commonwealth face right now.

Second, again as an item of policy, I hope that there will be a sense of acceleration in terms of the negotiations with the European countries with respect to a multilateral nuclear force under multilateral control. I hope that enough time has gone by so that we in the Congress will not have a narrow view of that situation. Europe, as a matter of self-respect, wants such an opportunity. I think it should be afforded to it and can be afforded to it without jeopardizing American nuclear secrets or the dominant American position in overall defense in nuclear terms.

It seems to me that there has been an undue amount of sympathy for President de Gaulle's position, which in a sense is inimical to the United States. One of the reasons for De Gaulle's punishing Britain, as he said quite frankly, was the fact that he thought Britain was too closely linked with us. That is the kind of argument which may arouse some sympathy in Europe—I believe I know a little about Europe's thinking—in the absence of a real and an honorable effort to bring about a multilateral nuclear deterrent between ourselves and the European powers which we have discussed so often.

I do not believe they have any grand ideas on the subject. It is really more a matter of self-respect than anything else. I think it is possible and can be done. I would urge a far greater concept of its urgency in terms of timing than perhaps might at present obtain.

Third, I think we must make clear what Secretary Ball has made clear in his letters. The one thing which I think stands out is that whatever may be General de Gaulle's ideas about isolating himself or Europe, we have no such idea. On the contrary, our total thrust will be for an integrated Europe and an integrated world. This is the way in which we think the greatest strength is possible. I like very much Secretary Ball's statement in his letter upon that subject. He stated:

> The broad lines I have described suggest the general directions of our policy. These policy goals have been and will continue to be pursued through a variety of instrumentalities and in a variety of forms. The veto of British accession to the EEC is not an insuperable obstacle to those policies. In 1954, the French Assembly turned down the European Defense Community Treaty, but the next few years were years of unprecedented progress toward European integration along other lines. The basic soundness of U.S. policy was not affected.

I deeply believe that European defense would have been much further along than it is if the French had not turned down the European Defense Community Treaty. Be that as it may, the Secretary is correct about the fact that other ways, such as the European Coal and Steel Community, the European Economic Community itself, and Euratom, were found in which to bring about some measure of European integration in the absence of the military integration which had been contemplated.

For that reason I urge the policy of offering a trade deal to Britain and the Commonwealth. It would not be a trade deal which would exclude others, but a trade deal which would include others, because of its most-favored-nation provision. I urge that as the cardinal element of American policy, because it would represent a recognition that if we cannot move down one road to the integration of the strength of the free world, we will move down another alternative road, just as we did in Europe after the European Defense Community Treaty was turned down.

Finally, I point out in this context that I am personally very heavily engaged—and I have reported to the Senate on the subject before—in a project to bring Europe into a position of helping, both in the private and public sectors, the development of Latin America in a way which would be parallel to the Alliance for Progress.

I point to that as falling squarely within the concepts of Under Secretary Ball and representing an area in which, when we cannot go together as we would hope, we would go together in having Britain join the European Economic Community, and go together in other directions. I would hope very much that this could be accomplished within the very near future. I would hope that perhaps we could go in the direction of a unified effort by the United States and the main industrial countries of Europe in attempting through the OECD, the Organization of American States, and the Inter-American Development Bank, to accelerate the development of Latin America along lines parallel to those of the Alliance for Progress.

Those are the great designs which we are discussing. They represent high policy of our Government. Our President is dealing with them now, we know.

I have made my suggestions today. I have also sounded a note of warning about our being caught without alternative programs in the interests of bipartisan foreign policy, the frankness in developing it, and the constructive effort to analyze with each other what needs to be done in order to make our country successful.

The fact remains that in the Atlantic Community there are $1 trillion of productive facilities—one thousand billion dollars. If Khrushchev had a productive machinery of $1 trillion he would, indeed, grind us into the dust, either actually or by merely threatening to do so.

We have an opportunity which no prior world community ever had to triumph for freedom in an unbelievably successful way, if we know how to overcome the human frailties which stand in the way of integrating and coordinating our enormous power of wealth production in order to win the historic and epochmaking struggle for freedom in which we are now engaged.

Europe, the United States, Canada, and Japan are critically important to this design.

I have expressed these views today in the hope that by expressing them in time, based upon the fundamental information furnished to us by our own Department of State, they may be of help to the Government of the United States and to our President in framing our momentous policy.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNESCO BOOKLET ON RACIAL AND POLITICAL EQUALITY IN SOVIET UNION

Mr. McGEE. Mr. President, several days ago protests were lodged over a year-old UNESCO publication containing profuse claims about guarantees for racial and political equality in the Soviet Union. Because of the nature of the controversy that has raged over that subject, I ask unanimous consent to have

printed in the RECORD not only the news story on it from the Washington Post for February 14, but also a background statement on the UNESCO publication prepared by the UNESCO people themselves.

There being no objection, the article and statement were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 14, 1963]

PUBLICATION POLICY REVIEW FORCED—UNESCO BOOKLET PROTESTS RISE

(By A. I. Goldberg)

UNITED NATIONS, N.Y., February 13.—Protests over a year-old UNESCO publication containing profuse claims about guarantees for racial and political equality in the Soviet Union have forced UNESCO to review its publication policy.

UNESCO is the U.N. Educational, Scientific, and Cultural Organization, based in Paris. It has the status of a specialized agency of the United Nations. Some conservative organizations in the United States have criticized it for its views on social and cultural problems.

The United States contributes nearly one-third of UNESCO's $39 million annual budget. The Soviet Union pays about 15 percent.

The publication, written by a Soviet educator and a Soviet lawyer, asserted in one passage that "in 1940 the Soviet regime was restored in Latvia, Lithuania, and Estonia, which voluntarily joined the Soviet Union."

A U.S. source said the United States protested vigorously last April, shortly after the book was issued, and was told that a lack of firm policy directives rendered UNESCO powerless to deal with such cases.

A review committee, set up as a result of United States and other protests, is expected to report in April, the source said. The U.S. National Committee for UNESCO has submitted recommendations and criteria for stricter standards.

The new complaint—one of many, an informant said—came from the Assembly of Captive European Nations in New York. It is a group comprising political exiles from Eastern European countries, including the Baltic republics (Latvia, Lithuania, Estonia), whose incorporation into the Soviet Union early in World War II has never been recognized by the United States, Britain, and many other nations.

A letter from the assembly's president, George M. Dimitrov, appealed to Vittorino Veronese, UNESCO Director General, to halt distribution of the 106-page booklet. He called it cheap Soviet propaganda, falling short of UNESCO objectivity, and termed it "harmful to the rights of Estonia, Latvia, and Lithuania."

The booklet was the third of a series of six planned by UNESCO in 1951 to study race discrimination. Now UNESCO officials are examining whether to continue with the series, an informant said.

The booklet was written by I. P. Tsamerian, described as a Soviet doctor of philosophy, and S. L. Ronin, a Soviet doctor of law. Titled "Equality of Rights Between Races and Nationalities in the U.S.S.R.," it reiterated Soviet arguments frequently heard in U.N. debates that guarantees against race discrimination were written into the Soviet constitution.

At one place it said "the Soviet Union has solved the problem of nationalities," but acknowledged "this does not mean, of course, that a peak of perfection has been reached. The U.S.S.R. still contains backward elements among whom nationalist prejudices exist."

The booklet contended that the Bolshevik revolution for the first time gave Jews equal rights in the Soviet Union, said racial problems were solved because of Communist Party policy, and quoted Soviet Premier Nikita S. Khrushchev's assertion that Jews "hold a worthy place" among those responsible for Soviet lunar rocket launchings.

In Washington, Republican National Chairman, WILLIAM E. MILLER, termed the booklet "a gratuitous insult to Americans and the free world," and said in a statement that the Kennedy administration should demand that the United Nations repudiate the publication and order its withdrawal from circulation.

BACKGROUND STATEMENT ON UNESCO PUBLICATION "EQUALITY OF RIGHTS BETWEEN RACES AND NATIONALITIES IN THE U.S.S.R."

The booklet entitled "Equality of Rights Between Races and Nationalities in the U.S.S.R.," by two Soviet nationals, I. P. Tsamerian and S. L. Ronin, was published by UNESCO in March 1962 as part of a series of studies on "Race and Society." An earlier work in this series was written by an American social scientist and reviewed Federal and State antidiscrimination legislation in the United States.

While these two publications were intended by UNESCO to present comparative scholarly studies on race relations in the Soviet Union and the United States, it is obvious that the Soviet publication has been used instead as a vehicle for political propaganda. It ignores recognized standards of scientific research by presenting a distorted and often fallacious picture of the treatment of nationalities in minority groups in the Soviet Union. It contains numerous blatant examples of Soviet anti-Western propaganda, making references to "revanchist neo-Fascist elements" in Western European countries, "colonialist oppression" in "capitalist countries" and so forth. In so doing, of course, it serves the national objectives and policy of the Soviet Union and not the objectives of international understanding espoused by UNESCO.

In April 1962 the Department of State vigorously protested publication of this booklet to the Acting Director General of UNESCO, citing the reasons above and pointing out that it violated the principles of the UNESCO Constitution. In his reply to this protest the Acting Director General said that the book was a counterpart to the American publication and was to "reflect as faithfully as possible the views of competent Soviet authorities." The Acting Director General added that criticisms "elicited by the publication of this brochure throw light, in a more general manner, on the difficulties encountered by the Secretariat in matters of publication, owing to the lack of precise instructions from the governing bodies of UNESCO."

To compensate for this lack of guidance from the governing bodies, the UNESCO Executive Board, with the full support of the Department of State, last fall appointed a committee to prepare policy directives on UNESCO publications. The Department, after seeking the advice of the U.S. National Commission for UNESCO, formulated comprehensive criteria which, if adopted, would prevent the use of UNESCO publications for Soviet propaganda purposes. These criteria were presented to the 12th General Conference of UNESCO, in November 1962, as follows:

"1. UNESCO should publish only in those fields which are clearly within its scope and competence and where publications contribute to the attainment of its objectives.

"2. Abusive or biased statements should be avoided so that the rules of objective and judicious writing prevail in all UNESCO publications.

"3. Authorship of all publications other than statements of official Organization policy should be clearly stated, and individual authors should be recognized as competent in their fields. In this regard, recognition of competence should be based both on the views of the government of the author's country and on the opinion of the international community of scholars in the author's field.

"4. Careful distinction should be made, by format and by specific disclaimer, between publications presenting official positions to which UNESCO is formally committed and publications reporting conference or committee discussion or individual statements or documents with which UNESCO is not necessarily in agreement.

"5. UNESCO should temporarily suspend publication of monograph studies of purely national situations and circumstances, since it is not possible under the present circumstances to publish such studies without the risk of compromising the integrity of the Organization. In the free exchange of ideas which must underlie objective scholarly research, the reader is able to compare and contrast opposing points of view only if those points of view are presented in such a way as to be truly comparable. Yet comparability requires prior agreement on purposes and principles, and it is apparent that such agreement has been lacking in certain series of monographs on national situations published by UNESCO. In the absence of this agreement, authors of national publications will continue producing research for UNESCO publications according to their own, perhaps valid, but often contradictory principles of scholarly research. In this situation, UNESCO may find itself compromised by the ideological rivalry centering around its activities, distrusted by honest scholars, dishonored by the use of its prestige for purely national purposes."

The chairman of the U.S. delegation to the 12th General Conference, Assistant Secretary of State Lucius D. Battle, reiterated U.S. policy in this regard as follows:

"Fifth, my Government considers that UNESCO should abandon activities such as tendentious publications, and those seminars, meetings and other projects which experience has shown lead to polemics rather than to scholarly results. The elimination of such projects will result in considerable savings of manpower and money, without impairing the essential, high priority program of proven benefit. The question is not only one of cost but one of integrity, for UNESCO's standards of scholarship, like Caesar's wife, must be above reproach."

The Organization is expected to take final action on publications policy directives during 1963 on the basis of recommendations by the United States and other member states.

Although UNESCO publishes hundreds of objective and impartial studies every year, the lack of precise policy guidance does, from time to time, result in publications objectionable to the United States. The Department is fully aware of the necessity of formulating publications policy directives and will continue to pursue the matter vigorously.

FEBRUARY 14, 1963.

DESIGNATION OF O'MAHONEY LAKE AND RECREATIONAL AREA—ADDITIONAL COSPONSORS OF JOINT RESOLUTION

Mr. McGEE. Mr. President, some time ago I introduced a joint resolution in this body (S.J. Res. 17), inviting Senators to join me in a proposal to name a lake in Wyoming O'Mahoney Lake, in honor of a distinguished former Member of this body, Senator Joseph C. O'Mahoney.

Since that time many Senators, from both sides of the aisle, have asked to

join in this commendation and recognition, in a sort of living memorial to Joe O'Mahoney. Other Senators are still asking to join.

I ask unanimous consent that at the next printing of Senate Joint Resolution 17 the names of the Senator from Washington [Mr. MAGNUSON], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], and the Senator from Nevada [Mr. CANNON] be added as cosponsors of the measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HRUSKA. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. HRUSKA. Would the Senator from Wyoming add the name of the Senator from Nebraska to that list?

Mr. McGEE. I shall be delighted and honored to add the name of the Senator from Nebraska to the list of the cosponsors; and I mention the fact that this brings to a total of 52 the number of Senators who have cosponsored the measure for naming the lake after our former colleague.

Mr. HRUSKA. If the Senator will yield further, is that what the Senator would call a constitutional majority?

Mr. McGEE. In the presence of the distinguished Senator from Pennsylvania [Mr. CLARK], who is waiting to take the floor, I choose not to open that question at this interval.

Mr. HRUSKA. In a more serious vein, I am glad to have my name added to the joint resolution, because, as the Senator knows, Senator O'Mahoney and I served on the Judiciary Committee for several years. He was a great Senator and a spirited orator when he was fighting, and he was fighting most of the time.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. GOLDWATER. I did not hear the Senator's brief discussion, but am I to understand that the proposal is to name a lake after Senator O'Mahoney?

Mr. McGEE. Yes. The waters backed up by Flaming Gorge Dam will lie in Wyoming, and because of the identification of Senator O'Mahoney with the development of some of the upper Colorado projects, many of us in that section of the country want to have the lake named in his honor.

Mr. GOLDWATER. I could not agree more fully with the Senator. I served with Senator O'Mahoney on the Interior and Insular Affairs Committee for a number of years. I got to know him very well. I had great respect for him. The Senator knew of the West, and particularly our part of the West.

I would be happy if the Senator permitted me to ask him to include my name as a cosponsor of the joint resolution.

Mr. McGEE. The Senator from Wyoming is delighted to add the name of the Senator from Arizona also to the list of cosponsors.

Mr. President, I ask unanimous consent that there be added as cosponsors to the joint resolution the names of the Senators I have mentioned.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I suggest the absence of a quorum——

Mr. CLARK. Mr. President, will the Senator withhold his request?

Mr. McGEE. Yes.

Mr. CLARK. I do not think it is necessary.

Mr. McGEE. Apparently the Senator is ready to proceed.

THE SENATE ESTABLISHMENT

Mr. CLARK. Mr. President, I resume my discussion of the Senate establishment which I began yesterday. I shall probably not conclude this afternoon, owing to the lateness of the hour at which I have obtained the floor and my desire not to hold the Senate unduly late in session; but I shall speak, if other Senators are interested in the timing, for probably about an hour. If there are Senators present who wish me to yield to them to make brief remarks, I shall be glad to do so at any time.

FINANCE COMMITTEE

Mr. President, when I concluded yesterday I was discussing the impact of the bipartisan Senate establishment on the composition and size of the Senate Finance Committee. I pointed out that for various reasons, which I discussed yesterday in a speech which concluded in the RECORD for yesterday in the first column of page 2564, it had been determined by the Senate establishment, and the majority leader felt that the establishment in this instance had the votes, to retain the size of the Finance Committee at 17 members, and to divide those 17 between Republicans and Democrats in the ratio of 11 Democrats to 6 Republicans, even though there are 67 Democrats and only 33 Republicans in the Senate, which would justify a 12-to-5 ratio on the committee.

So that, in terms of that justice and equity which governed the ratio between Democrats and Republicans in assignments to practically every other committee, the ratio would be at least 14 to 7 or 10 to 5, and might conceivably be 13 to 6 or 12 to 5. Nevertheless, the establishment concluded to permit the bipartisan establishment control to continue without dilution in this important committee to which so large a share of the measures which the President of the United States believes important to the success of his program either have been or will be referred.

I pointed out also that the method in which the Finance Committee operates, and has operated for years, makes for long delay in reporting important measures to the floor of the Senate. Senators will recall how long it took before we were able to bring to a vote on the floor of the Senate the medicare bill, both last year and 2 years ago.

Senators will recall that there was no possibility of that bill's coming out of the Finance Committee in anything like the shape in which it was recommended by the President.

Senators will recall also that this year we have already been advised by the chairman of the Finance Committee that he sees no possibility of bringing a tax bill to the floor until after Labor Day.

The principal reason for this, to my way of thinking, untoward delay in enabling the program of the President to be voted on the floor of the Senate is threefold:

First, the Finance Committee is unwilling to conduct even preliminary hearings on the vitally important bills until the House has acted, although it had no hesitation in doing it with respect to the Du Pont bill recently, which the establishment favored.

It appears that when the program of the President is involved, the policy is one of "let's take our time." When a bill in which the establishment is interested is involved, the cue is, "Let's act with expedition."

The second reason is that, unlike almost any other committee in the Senate, the Finance Committee does not organize itself into subcommittees, so that all testimony is taken and the executive consideration of all bills is conducted before the entire committee, despite the fact that the Finance Committee has perhaps the most extended and complicated jurisdiction of any of the committees in the Senate.

For example, would it not be simple right now to divide the Finance Committee, let us say, into no more than two subcommittees? Let one of them conduct hearings on social security matters, such as medicare, while the other one is conducting hearings on the tax program of the President. In this way the business of the Senate would be enormously expedited, and it might even be possible to adjourn and go home before Labor Day.

I understand that other Senators may have under consideration a Senate resolution expressing the sense of the Senate that the Finance Committee should promptly begin hearings on the tax bill, and perhaps on the medicare bill, and be prepared to bring the tax bill to the floor of the Senate within 30 days of the time that the House acts, now thought to be the end of June.

I hope that these arguments will prevail on the minds of the majority of the members of the Finance Committee and that this type of expeditious action will take place.

The third reason why matters are so delayed in the Finance Committee is quite frankly and candidly because it has not an adequate staff in terms of the numbers of qualified men and women able to sift and analyze and report to the members of the committee on the complex tax structure and other matters, including social security and trade matters, which come before the committee, besides advising other Members of the Senate who may feel impelled by reason of an interest in the subject matter to seek the advice of members of the staff of the Finance Committee.

This void is filled only partially by the Joint Committee on Internal Revenue Taxation, which in my opinion is entitled to additional staff members in order to perform its rigorous duties.

For the time being, I leave the Finance Committee, but I shall return to it later

in my remarks, when I expect to demonstrate how the Republican establishment cooperates with the Democratic establishment to assure maintenance of the status quo with respect to the number of Senators on certain major committees of the Senate, and show with some glee, because of the dwindling numbers of members of the establishment, that since the election of 1958 it has lost control of a number of major Senate committees.

I believe it is not too much to say that while we may not yet be quite ready for Waterloo in connection with the establishment, we have certainly seen the battle of Moscow lost. Time is on the side of the Presidential party on both sides of the aisle in the Senate. Time is against the aging congressional party, with its dwindling numbers, who are wedded to the status quo.

FOREIGN RELATIONS COMMITTEE

I turn now to a consideration of the situation in the Foreign Relations Committee. Here I must start with a disclaimer. It is well known to my colleagues in the Senate that my overriding ambition for a committee assignment ever since I first came to the Senate 7 years ago has been to be assigned to the Foreign Relations Committee. That ambition has constantly been frustrated, sometimes with the aid of seniority, sometimes in spite of seniority. It therefore may well be felt by my colleagues—and they may well be correct—that in discussing the status of the Foreign Relations Committee I am not entirely objective. All I can say is that I have made an earnest effort to be objective. If I have failed, it has been by reason of human frailty, not because of design.

At the beginning of the session the Foreign Relations Committee consisted of 17 members, with 2 vacancies—in other words, 15 live bodies. The ratio was 11 to 6. Despite the protestations of the chairman of the committee, it was determined to change the ratio to 12 to 5. My own view has been that for reasons of high policy it would be desirable to change the ratio of the members of the Foreign Relations Committee to 14 to 7, thus making it a 2 to 1 committee, and enlarging it in order to permit additional Members who give bipartisan support to the program of the President overseas in this time of peril to be appointed to the committee from both the Democratic and Republican sides, thereby, hopefully, strengthening a bipartisan approach to foreign affairs, which one would hope might cause partisan politics to stop at the waterfront, as was done in the great days when Senator Vandenberg was the chairman of that committee.

This was not done. One of my amendments to rule XXV which lies at the desk would increase the size of the committee so as to increase the size of the committee to 21. About 1937, when the number of Democratic Senators in this body was even higher than it is today, the Foreign Relations Committee consisted of 23 members. Therefore, there is ample precedent for the suggested change, just as there is for the Finance Committee, as I pointed out yesterday.

I have no complaint whatever about the fact that I was passed over this time in the Foreign Relations Committee, because the able Senator from Florida [Mr. SMATHERS] had seniority. My complaint is that 2 years ago I was passed over for the Foreign Relations Committee in favor of an equally good friend, who had less seniority, and that 2 years before that I was passed over for the Foreign Relations Committee in favor of two Senators who had no more than equal seniority.

I have tried to be very objective about this situation, and I think I have succeeded. I have no personal quarrel over the action of the steering committee in this regard, which was taken last week, but I have grave concern that on matters such as a test ban treaty, our attitude toward dictatorships in South America and elsewhere, foreign aid and our attitude toward the race issue, by which we are embarrassed in our dealings with Africans and Asians, who believe our policy on the race issue is deplorable. In all these matters I believe it would be helpful if some additional supporters of a bipartisan foreign policy, both Democrats and Republicans, were added to the Foreign Relations Committee.

GOVERNMENT OPERATIONS COMMITTEE

I turn now to the Committee on Government Operations. Here there was no real controversy, because the leadership had determined—and with this I have no quarrel—to make the Government Operations Committee a major committee and to increase its size from 9 to 15 and to maintain a ratio of 2 to 1 in connection with Democratic and Republican members.

There were no applicants for the Committee on Government Operations other than from freshmen Members of the Senate. Generally speaking, they got either this assignment, when they wanted it, or another equally good one. So there was no problem there.

INTERIOR COMMITTEE

Turning to the Committee on Interior and Insular Affairs, we have another situation in which seniority was ignored in favor of two freshmen, thus passing over the Senator from Michigan [Mr. HART], who will be up for a tough reelection fight in a year and who had seniority, and the Senator from Oregon [Mrs. NEUBERGER], who also had seniority over the two freshmen Senators who, together with the Senator from Arizona [Mr. HAYDEN] were assigned to that committee.

Needless to say, when Senator HAYDEN indicated a desire to join the Committee on Interior and Insular Affairs, the steering committee unanimously granted our beloved President pro tempore this request. But there were still two vacancies left, and they were given to Senator NELSON and Senator MCGOVERN, instead of to Senator HART and Senator NEUBERGER.

JUDICIARY COMMITTEE

I return to the Committee on the Judiciary, where again, to my way of thinking, a grave injustice was done to one of our finest Senators, Senator BURDICK, who will be up for reelection next year. He was most eager to be assigned to the Committee on the Judiciary.

He was passed over by the establishment in favor of two very able freshmen Senators, Senator KENNEDY and Senator BAYH. I find little justification for this action on behalf of the establishment. Senator BURDICK was really left out in the cold. I do not think a very good case can be made for supporting what the steering committee did in this case.

In all the criticisms I have been making about the actions of the steering committee in overriding and ignoring the seniority rights of what might be called intermediate grade Senators, Senators who came to the Senate in 1958 on the liberal sweep which brought 15 new liberal Democrats and 3 moderate Republicans to the floor of this body, it is my view that those Senators have suffered as a result of the determination of the steering committee not to give to each freshman Senator one good committee, but to give to each freshman Senator two good committees to the prejudice of Senators who are up for reelection next year and who had worked hard in the cause of the President of the United States and had shown by their votes that they were modern Senators, not Senators who are wedded to the status quo.

In each instance, freshmen Senators could have been given another excellent committee, but they were not. They were preferred to Senators like Senator BURDICK, who, I believe, had a higher claim on the members of the steering committee.

LABOR AND PUBLIC WELFARE COMMITTEE

I now turn, with mild amusement, to the Committee on Labor and Public Welfare, on which I have the honor to serve, and which I believe to be one of the finest, most important, and most influential committees in the Senate. Senators may recall that yesterday I made the same statement about my other committee, the Committee on Banking and Currency. No Senator wants to be assigned to the Committee on Labor and Public Welfare. Is it not a shame? It is a fine committee. Yet it is not possible to get any Senator to serve on the Committee on Banking and Currency or the Committee on Labor and Public Welfare. Too bad. So the able junior Senator from Massachusetts [Mr. KENNEDY] was "shanghaied" and assigned to the Committee on Labor and Public Welfare, even though he did not apply for that committee. However, I am sure he will serve with the same great ability on that committee that his older brother did in the years before he became President of the United States, and when I had the honor to serve with him and bring to the floor of the Senate and have passed much important legislation which we thought then, and I think now, is very much in the public interest.

POST OFFICE AND CIVIL SERVICE COMMITTEE

I now turn to the Committee on Post Office and Civil Service, from which I resigned after 6 years of interesting service. There again, there was only one applicant, the present occupant of the

Chair [Mr. BREWSTER], and he was assigned to that committee.

It was thought that Senator MCGEE, of Wyoming, who has a tough campaign for reelection coming up next year, would profit if he were able to have the close association with the members of the Civil Service and particularly of the Post Office Department which that committee would give him. He was placed on that committee; and there was, of course, no real controversy.

PUBLIC WORKS COMMITTEE

The next committee is the Committee on Public Works. There again we have an interesting situation. The membership of that committee is 17, and the ratio had been 11 Democrats and 6 Republicans. The ratio was changed to 12 to 5. This resulted in five vacancies on that committee—a very large number of vacancies.

Senator JORDAN of North Carolina was not an applicant for assignment to that committee; but he had seniority, and he was assigned to the committee for the very good reason that there were at that time no Senators from the South who were members of that important committee. In this instance, seniority was honored, and Senator JORDAN was placed on that committee.

Then, in quick succession, Senator BREWSTER, Senator INOUYE, Senator BAYH, and Senator NELSON were placed on that committee, jumping over Senator MCINTYRE, of New Hampshire, who had seniority by about 2 months.

Let it not be thought that the question of seniority by a day or two or a month or two has not hitherto been important. It has. I have seen many instances since I came to the Senate in which Senators who had seniority of not more than 3 or 4 days over their colleagues were automatically accorded that seniority right when it came to the question not only of their assignment to a committee, but also of their priority on that committee in terms of seniority once they got there.

But the Senator from New Hampshire [Mr. MCINTYRE] was ignored, and other fine and able junior Senators, including the present occupant of the chair, the junior Senator from Maryland [Mr. BREWSTER] were placed on that committee. I am sure that those Senators will render fine service. I am confident that the four freshmen are Kennedy men, are liberals, and will support the administration. My only complaint was, and is, that I thought it was a little rough on Senator MCINTYRE, who is in the same category and desired to be assigned to the Committee on Public Works.

RULES AND ADMINISTRATION COMMITTEE

The final committee is the Committee on Rules and Administration. In this instance, there is a rather amusing little interlude. That committee had been changed from a major committee to a *minor committee* by prior action of the steering committee at the time we came to a vote. Senators will recall that I am committed not to reveal the vote on the filling of committee vacancies, and I shall not do so. But the order of seniority of applicants for that committee was: Senator THURMOND, of South Carolina, whose seniority dates from November 7, 1956; I, whose seniority dates from 2 months later, January 3, 1957; Senator BYRD of West Virginia, whose seniority dates from January 7, 1959; and Senator NEUBERGER, of Oregon, whose seniority dates from November 9, 1960.

When the secret ballots were counted, it was discovered that the Senator from West Virginia [Mr. BYRD] had won selection to the committee. The second choice was so divided that no Senator had a majority; but the two highest on the list were the Senator from Oregon [Mrs. NEUBERGER] and I. The Senator from South Carolina [Mr. THURMOND], who had seniority over all of us, was, therefore, dropped from further consideration; and the balloting then took place between the Senator from Oregon [Mrs. NEUBERGER] and myself. I am selfishly pleased that in that very close race, I received the nod; and I thank some of my friends from the establishment for their graciousness in helping me in that way to achieve membership on the committee, because at the time when the vote was taken, I had been engaged in about a 2-hour battle to achieve results in other instances—although in each case I had failed. So I am grateful, indeed, that I have been selected for appointment to the Committee on Rules and Administration. Having received that choice, I shall do my very best as a member of the Committee on Rules and Administration to change—drastically—the Senate rules, in order to update the procedures of the Senate and its ability to conduct its business expeditiously.

This completes my initial review of the actions of the steering committee. I recapitulate by saying that in making its choices, the steering committee ignored seniority nine times, in order to give freshman Senators assignments to two major committees—not merely one—although it could have given them assignments to two major committees without in any instance overriding the requests of intermediate Senators of substantially greater seniority, and jumping nonfreshman Senators over other nonfreshman Senators who had seniority, notably in the cases of the Senator from Alaska [Mr. BARTLETT], who was assigned to the Appropriations Committee, and myself, who was assigned—as the second choice—to the Committee on Rules and Administration, and also in the case of the assignment of the Senator from West Virginia [Mr. BYRD] to the Committee on Rules and Administration. I make clear that I am not complaining about my own selection for membership on the Committee on Rules and Administration.

Yesterday the Senator from Wisconsin [Mr. PROXMIRE]—whom I see in the Chamber—made an eloquent plea for the rule of seniority in the selection of Members to be assigned to committees, with the sole exception of cases in which it was necessary to ignore seniority in order to assign freshman Senators to one major committee. At that time I undertook to differ with him. I should like to state now the reasons why I took that position.

It seems to me that in the area of the selection of committee members we should have representative government within the organization of both the Republican Party and the Democratic Party. We should choose for appointment to the committees, Members in whom we have confidence—confidence that they will do the right thing, as they see it, while they serve on the steering committee. I do not question that the present members of the steering committee thought they were doing the right thing, although I disagree with them. Nevertheless, I do not impugn in any way their motives. Furthermore, the steering committee should be composed of Senators who fairly represent the ideology and the geography of the members of the Democratic conference; and after having so chosen the members on an equitable basis, we should be prepared to permit them to make the initial choice of the Members to fill committee vacancies.

I would go along with the Senator from Oregon [Mr. MORSE]—and I did so in the ballot within the Democratic conference—in taking the position that in each instance the Democratic conference should have the right to change the recommendations of the steering committee before the lists are submitted to the Senate. That would be only sound democratic procedure, just as it conforms with the practice on the floor of the Senate, where the Senate itself checks, amends, rejects, or approves the recommendations of all the committees which deal with legislation. But, even if we could not obtain this review by the Democratic conference of the recommendations of the steering committee, I would be prepared to leave the members of the steering committee rather free as to their choices, subject to the general criteria. It seems to me that those criteria, which would usually—although not always—prevail, would be that in making their selections, the members of the committee, acting—I am sure—in good faith, would take into account seniority, geography, ideology, competence, and experience; and they should try to get—within the broad outlines of those general criteria—the very best Members available within the whole body of the Democratic side of the Senate, to serve on the particular committees in which vacancies occur.

I would not want any more rigorous ground rule than that. Of course, in order to make it effective, it would be necessary to have a representative steering committee. Although, as I have been pointing out, the present steering committee is not representative in terms of either ideology or geography, I would say to the Senator from Wisconsin [Mr. PROXMIRE] that all we need, in order to get the kind of steering committee which he and I would like to have, is the support of the leadership. Until we came to the Democratic conference the other day, I had hoped we would have the support of the leadership in the attempt to increase the size of the steering committee to either 19 or 17; and 2 years ago I was given to understand—although no commitment was made—that there would be resignations from the steering committee, from among the members

from the Deep South, in order to make it possible to comply with the requirement—laid down in both 1961 and 1963—by the Democratic conference that the membership of the steering committee should represent both the geography and the ideology of the members of the conference. I say to the Senator from Wisconsin that I have not despaired of getting the leadership to change its mind in that regard.

I am telling no tales out of school when I say that within the leadership itself there is dissension on this point. I would hope that the majority leader and the whip would in due course conclude that the commitment made to the Democratic conference in 1961 and 1963 should be kept.

I point out to my friend from Wisconsin that we were not too far away from winning anyway, even with the opposition of the leadership. We got 21 votes out of 60, for a steering committee of 19. We got 23 votes out of 60 for a steering committee of 17. A shift of only 10 votes would have changed the result. If the leadership were to shift, there is not a shadow of doubt in my mind that the majority would shift, too.

I point out that there were only 60 votes, because 7 Democratic Senators were unable to attend the conference.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I yield to my friend from Wisconsin.

Mr. PROXMIRE. With much of what the Senator has said today I wholeheartedly agree. Of course, the body of his speech I find very agreeable. Also I concur with his statement that he thinks the steering committee should be guided by criteria. That is very important. Perhaps those criteria exist implicitly. I do not know of any explicit statement that seniority, geography, ideology, and competence should be considered. If there is such a generalized notion, I do not believe it is widely understood.

Mr. CLARK. Clearly or not, consider what happened.

Mr. PROXMIRE. Very well; consider what happened. Let me discuss with the Senator from Pennsylvania what course ought to be followed. The Senator has said he thinks we were close to victory because we got 21 votes in the caucus of 60 Senators.

Mr. CLARK. Twenty-three.

Mr. PROXMIRE. That was for 19 members of the steering committee; and 23 votes for 17 members of the steering committee. I submit that if there were 19 members on the steering committee, it would not have made any difference on any vote the Senator has discussed today.

Without having had revealed to me the precise vote, I understand that it was pretty substantial. It was not even close. I would not say that there was a "snow job," but there was an overwhelming decision made by those members of the steering committee. Assuming that the new members of the steering committee would all tend to agree with the Senator from Pennsylvania or the Senator from Wisconsin, I still think it is very doubtful that it would have made any real difference in the voting of the steering committee.

Mr. CLARK. Mr. President, if the Senator will permit me to interrupt, I respectfully disagree with my friend from Wisconsin. I am interested that my friend should have referred to that snow which falls with such plenitude on the marvelous forests and farmlands of his home State. Off the floor of the Senate I have said—and I say now in a mildly lighter vein, impugning neither the motives nor the action of any Senator—that what happened was the greatest "snow job" since the blizzard of 1888. I marvel at the efficiency with which that "snow" fell.

To get back to the other point, I am confident that if the composition of the steering committee had been readjusted so as to make it conform to the geography and ideology of the Senate, and if it had consisted of 19 members, there is no doubt that the results for which the Senator and I jointly contend would have been achieved. If the number had been 17, the issue would have been more doubtful. But, after all, there was only a hard core of seven votes that might not have been shifted if the composition of the committee had been otherwise. At the very most there were nine. With a committee of 19, I think we would have won 10 to 9 if the issue had been forced in each case.

Mr. PROXMIRE. At any rate, whether or not the Senator would have prevailed if he got the kind of composition of the steering committee for which he asked is certainly subject to question, because we do not know who would have been nominated by the leadership and who would have been approved by the caucus. We do not know exactly what views they would have taken on this particular vote.

The point that the Senator from Wisconsin wishes to make is——

Mr. CLARK. Mr. President, if the Senator will permit me to interrupt briefly before he continues, since I am afraid I shall lose the floor, I should like to point out that I believe time is on our side.

I hope the Senator from Wisconsin will be returned to this body by an overwhelming majority next year. I have 6 more years myself. I am hopeful that our friends in the class of 1958, in the class of 1960, and in the class of 1962 will be here for many more years. I do not believe the attrition in that group will be very high. Let us be patient.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. PROXMIRE. I have enough appreciation of the two-party system and of the ebb and flow of party fortunes to anticipate that it will be unlikely in the future that we shall continue to have 67 Democrats in the Senate, or a 2-to-1 relationship with the Republicans. I suspect that a time will come when there may be a majority of Republicans. When that time comes, I suppose that most of us from the North will no longer be here. Our southern brethren are likely to be here, if they live that long. If not, they will be succeeded by Senators who will have an equally long term of service in the Senate.

Mr. CLARK. I point out that when those Senators are succeeded by other southern Senators, the new southern Senators will not have seniority.

Mr. PROXMIRE. Yes; but if we take the long sweep of American history—certainly for the past 100 years—there is no question that in the Democratic Party southern Senators have had seniority. Furthermore, there have been many periods in which southern Senators have had close to a majority of Democratic Senators.

We should anticipate that southern Senators will have seniority, and in certian periods will have close to a majority of all Democratic Senators, as they had even as recently as 1947 and 1948.

Mr. CLARK. The Senator refers to all Democratic Senators.

Mr. PROXMIRE. All Democratic Senators. So they will be able to control the Democratic conference absolutely, even without any allies.

Mr. CLARK. If I may interrupt the Senator, I should like to point out that as a result of the activities of northern and western Democrats, joined by a perceptible handful of Republicans, we are gradually enfranchising the Negro in the South.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. PROXMIRE. The day may come when we shall have a two-party system in South Carolina and Mississippi. But I did not want to base our hopes in achieving appointments to committees on a possible two-party system in those States and in other Southern States.

Mr. CLARK. The Senator misunderstands me. I am not so much thinking about a two-party system, although personally I would like to see it. I am thinking of a drastic revision in the thinking of Senators from the South, once the Negro is really enfranchised and comes to be—as he is frequently in my Commonwealth of Pennsylvania today—the deciding factor in a close election.

Mr. PROXMIRE. I agree that such a development is likely to take place sooner than the development of a two-party system in the South. It seems to me on the basis of the experience we have had that we can anticipate a situation in which those who were inclined to disagree with the viewpoint of the Senator from Pennsylvania and the Senator from Wisconsin on civil rights will have disproportionate power in the Democratic Party, considering their numbers. They will have disproportionate representation on the steering committee.

Mr. CLARK. They do today.

Mr. PROXMIRE. There will be disproportionate influence on the steering committee. Whether it consists of 17 members or 19, they will continue to have exceptional influence, not only because of their numbers, but because of their ability and experience. Recognizing that we are likely to have a steering committee which will have disproportionate representation of Southern Senators for the foreseeable future, it seems to me it is the better part of wisdom on

our part to insist upon the most objective criteria for appointments to committees that we can win. We cannot rely on a favorable steering committee. We must therefore rely on criteria that will require fairness and objective appointment by the steering committee.

I submit that we should be able to win, without any question, approval of an objective criteria like seniority from members of the steering committee. If they will not accept it, it seems to me they are wrong and we can take the issue to our constituency, to the country, or anywhere we may wish to take it and convince the people that we are right and the other Members are wrong. Appointments to the various committees of the Senate should be made on the same basis on which appointments of chairmen of committees and subcommittees are made, except that appointments of new Senators to a major committee shall be an exception; and if other exceptions are made there should be a clear, written explanation of the reason. That written explanation might be on the basis of geography, or perhaps on the basis of an ideological imbalance on the committee. It might be on the basis of exceptional competence, although I do not think one would find much justification on that basis, no matter how it was stated, because everybody feels that all Senators are competent, and nobody is going to make a public argument that any Senator is incompetent or less competent than someone else.

I submit that if we try to stick as close as we can to seniority then we can avoid the kind of thing which happened with respect to the Appropriations Committee this year, when a fine Senator, with less seniority, but who voted with the southerners in the crucial vote over the filibuster—was given the appointment to this prize, prime committee over two other Senators with more seniority; one who voted against the southerners consistently on the filibuster, from the North, and one who showed exceptional courage and independence and frequently disagrees with his southern brethren. I refer to the Senator from Texas [Mr. YARBOROUGH].

Mr. CLARK. Will the Senator permit me to interrupt?

Mr. PROXMIRE. The point the Senator wishes to stress is that when we have a committee stacked against us making the appointments—stacked against us on the basis of elections from the South, or ideological attitudes, or whatever one wishes to call it—we need the clearest and simplest criterion we can get, applied with scrupulous fairness and justice, and applied in such a way that we can always take our case to other Senators, or take our case to members of the steering committee themselves, to say, "I have seniority over my contender for this position, and should be given the appointment." If we have that protection we will be considered fairly. If we do not have it, it seems to me that the Senator from Pennsylvania has made a devastating case that we can expect to lose out.

Mr. CLARK. If the Senator's premise is correct, his conclusion is entirely sound. I challenge the premise, for the reasons I outlined a few minutes ago.

Nevertheless, the Senator's suggested criterion, if adopted, would certainly be far better than the situation under which we now operate. Until such time as we can successfully readjust the membership of the steering committee to meet ideology and geography, as, in effect, the conference directed, I would support the Senator.

Mr. PROXMIRE. I thank the Senator very much. With the exception which has been mentioned—of the newly elected Senators appointed to committees regardless of seniority—the steering committee now generally follows the policy of seniority. It does make exceptions, however. When it makes exceptions, I think we ought to insist on justification. After all, it is our steering committee. We appoint the members. Why should we let them get away with it? Why should we not insist that they make an explanation, either to the Senate or to the caucus, as to why they wish to appoint A over B, when B has seniority over A? They ought to have a reason for it, other than the fact that they like B better.

Mr. CLARK. Let me point out to my friend from Wisconsin that he will have an opportunity on the floor of the Senate to do exactly that next Monday. Perhaps he was not in the Chamber when that was arranged.

Mr. PROXMIRE. I understand that, but I say to the Senator from Pennsylvania that these things are always extremely awkward. When any Senator stands—particularly one who feels he has not gotten his just due—and asks, "Why was I not given this assignment instead of another Senator?" it is extremely embarrassing. All those who are involved are embarrassed. Senators do not like to do that.

If this criterion were written into the rules, and if it were required that the steering committee, if it made this kind of exception, would have to give its reasons, in most cases we would have an objective and fair criterion of seniority applied. That would be true in most instances, except when the discrimination was based on some good, solid, sound justifiable reason like a gross geographical or ideological imbalance of the kind we now have on the Interior and Insular Affairs Committee.

Mr. CLARK. I am sure my friend from Wisconsin does not think I was without embarrassment when I began to make this detailed speech.

Mr. PROXMIRE. The Senator is correct, but I am sure the Senator from Pennsylvania has one great advantage. It is very clear that the Senator is not seeking in any way to serve his own interests in making the speech. However, if the Senator from Wisconsin or the Senator from Texas should protest the appointment of the Senator from Alaska to the Committee on Appropriations over their senior claims, it would be taken, I think, by many people in the Senate and outside the Senate, as coming with bad grace. It is something which is not done. For that reason, we would be in a different position from that occupied by the Senator from Pennsylvania, who has shown extraordinary courage and conviction in making the fine fight he has made.

Mr. CLARK. Let me say to my friend from Wisconsin that I am sure there will be some—perhaps many—who will say that the reason I am making this speech is that I was disappointed over not being appointed to the Committee on Foreign Relations. I have undertaken to lay that ghost, whether successfully or not I do not know.

The Senator from Wisconsin could rise on the floor on Monday to challenge the ignoring of seniority in each of the nine cases in which he was not personally involved. How, then, could anyone say he was trying to feather his own nest?

Mr. PROXMIRE. I say to the Senator from Pennsylvania that I do not like to suggest a statistic which weakens our case, but in view of that challenge I do not know how to avoid it. The fact is that there were only two cases in which seniority was ignored except in the cases of junior Senators given more than one committee; those two exceptions were first, the Appropriations Committee assignment; and secondly the assignment to the Committee on Rules and Administration, to which the Senator from Pennsylvania was appointed over the Senator from South Carolina.

These assignments violated seniority. There has been no jurisdiction, no explanation for it. There should be. If a junior member of a committee were made chairman, the Senate and the senior Members passed over would deserve an explanation. They would get it. These two exceptions deserve explanation too. Why don't we get one?

Mr. CLARK. I do not know.

Mr. PROXMIRE. At any rate, I am not inclined to make a fight either with respect to the Appropriations Committee or the Committee on Rules and Administration under the present circumstances; and the other decisions were made in favor of the freshmen Senators.

Mr. CLARK. Perhaps we could more profitably continue our discussion some other time.

Mr. PROXMIRE. I think so.

Mr. CLARK. Mr. President, I turn briefly to the question of packing and stacking and shuffling.

There have been those who have suggested that liberal Senators wanted to pack committees. I suppose the analogy was to the Roosevelt attempt to pack the Supreme Court.

An effort has been made to make the Senator from Pennsylvania appear, indeed, mildly unethical, because he wants to change the size of these committees to put supporters of the President of the United States, to put able and experienced Democratic Senators who sought these assignments, on particular committees.

I think I have cited enough precedents in the history of the Senate, when the size of committees has been changed, to meet the contingencies of the day. In no instance have I asked that any committee be increased in size larger than

it had been in the past, except the Appropriations Committee, with respect to which a special condition existed reflecting the "bumping."

Moreover, we are playing now, not with a packed deck, but with a stacked deck. The deck is stacked against the President of the United States, and I want to shuffle that deck so that in the end the President of the United States will have his fair share of trumps and we can play the game with an honest deck of cards.

I immediately again want to say that I am not accusing anybody of dishonesty. I am not accusing anybody of improper motives. I am not accusing anyone of doing anything other than desiring to retain the status quo. But the status quo is a stacked deck, and all I am trying to do is unstack it, and I do not think the comment that this involves packing the committee has much justification.

REPUBLICAN MEMBERS OF THE ESTABLISHMENT

Mr. President, having said my fair share—perhaps more than my fair share—about the Democratic side of the Senate establishment, I should like to say a few words about their allies, the Republican Members of the Senate establishment. This is a small and dwindling group of supporters of the status quo.

I can remember, when I first came to the Senate, there were 47 Republicans here. That number, I am happy to say, has now been reduced to 33, and among those 33 is a small but active and able group of liberal Republican Senators. But the dwindling group of establishment Republicans is still essential to the establishment of the Senate and those devoted to the status quo.

It is only with the aid of the able and beloved minority leader, the champion of the Republican establishment, that our friends in the Democratic establishment have been able to retain that control of key committees which is essential to be slowing down, if not the defeat, of major progressive proposals of the President of the United States.

I shall not name names, but I ask my colleagues to look carefully at the membership of the Appropriations Committee, and I make the suggestion that the bipartisan, conservative, status quo establishment presently controls the Appropriations Committee by a very narrow margin; and that if it had been increased in number to 29 from 27, and the Senator from New York had been left on it from the Republican side, and a liberal Democrat with seniority who had been applying for the job had been placed on it, the establishment might have lost control of the Appropriations Committee, so razor thin is their control at the moment.

Let us look at the Committee on Armed Services. There the establishment is in command, with the help of the Republicans.

Mr. PROXMIRE. Mr. President, will the Senator yield on the point of the Appropriations Committee?

Mr. CLARK. I am happy to yield.

Mr. PROXMIRE. One shocking imbalance on the Appropriations Committee, is that eight of the subcommittees of the Appropriations Committee have as chairmen southerners—two-thirds, 2 to 1.

Mr. CLARK. The Senator is correct.

Mr. PROXMIRE. Here I think is a striking example of the domination of the policies of the Congress of the United States, or at least the U.S. Senate, by one area of the country. I think this is an element of appropriation control and of power that has been overlooked.

None of us is challenging the right of senior southerners to whatever position they are entitled to; but how very moderate and mild is the position taken by the Senator from Pennsylvania. All he is asking is that in committee assignments some consideration be given—equal and fair consideration—to Senators who are not from the South. We recognize the enormous power the southerners have. We are not trying to undermine it or even challenge it; we are simply asking for fair consideration under the rules which southerners champion and which suit their purposes very well.

Mr. CLARK. I thank the Senator from Wisconsin.

I now turn to the vital assistance of the Republican members of the establishment in maintaining control of the Armed Services Committee, a committee very important indeed to our national security.

I think, in fairness, it might be pointed out that when the establishment gets into military affairs, they do not hold back. I want to be careful in the choice of my words, so as not to give affront. But certainly the establishment in its control of the Armed Services Committee is not notorious in its support of the present or past administration's efforts to obtain test ban and disarmament agreements with the Soviets. I am sure this position is sincere, but I point out that that committee, as anyone who wishes to run his eye down its membership will inevitably conclude, is controlled by a bipartisan coalition of the establishment which, I do not believe, when the chips are down, will give support to certain efforts by the President to ameliorate the cold war situation, or to curtail that military and industrial complex which President Eisenhower referred to. I do not think we are going to get much support from that committee on those matters, which I believe to be in the public interest.

The next committee which the Republicans are responsible for aiding the conservative Democrats in completely controlling is the Finance Committee. I see an able member of that committee, the Senator from Illinois [Mr. DOUGLAS], on the floor. I am certain he will agree with me that the most fairminded and objective observer, as he runs his eye down the membership of the Finance Committee, will inevitably conclude that the bipartisan establishment has a majority of that committee firmly in its grasp, to the detriment of the program of the President of the United States.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from Illinois.

Mr. DOUGLAS. Since an implicit question has been asked of me, I would say in years past that has been the case. We hope it will not be the case in the future. Certainly it is a true statement of what has happened in the past.

Mr. CLARK. I should like to point out that even in the Finance Committee there is a slow attrition working against the bipartisan establishment. Its control of the Finance Committee was far greater some years ago—in fact, when I first came to the Senate—than it is today. If we can increase the size of the Finance Committee, as I have suggested, we can probably wrest control of that committee from the establishment, and thus add it to the large number of other committees over which the establishment has lost control.

The next committee of which the establishment has control is the Foreign Relations Committee. There I must tread lightly, first, because of my own personal interest in the matter, and second, because the field of foreign relations is very complicated and complex, involving shifts, depending upon the particular issue, in the attitude and position of members of that committee.

I will make the statement that on the whole, and all things considered, as a result of the two new appointments which are being made to that committee, the program of the President in foreign affairs is in jeopardy so far as that program is under the control of the Foreign Relations Committee.

The next committee is the Committee on Rules and Administration. I see my friend the Senator from Rhode Island [Mr. PELL] on the floor. He is an able member of the Committee on Rules and Administration. I point out that one sardonic thing about what happened is that the control of the establishment over the Rules Committee has now shrunk to a 5 to 4 majority.

I believe the Senator from Rhode Island and I have some hope that with the aid of our fine new Republican colleagues, the Senator from Kentucky [Mr. COOPER] and the Senator from Pennsylvania [Mr. SCOTT], we might just be able to persuade a majority of the committee to bring to the floor of the Senate some badly needed changes in our rules and procedures, for which the Senator from Rhode Island and I have been contending.

To sum up this portion of my talk, I emphasize the fact that this control of the establishment over the Senate requires the support of a dwindling group of Republican conservatives headed by the able and distinguished minority leader, and that as a result of what has happened since the election of 1958, when 18 forward-looking, modern Senators joined this body, and the election of 1960, when the Senator from Rhode Island and several other Senators joined this body, and now because of the election of 1962, when a substantial group of splendid forward-looking liberal Senators joined the Senate, the attrition on the establishment has been very substantial indeed.

Let me point out that since 1958 the establishment has lost control of the Banking and Currency Committee, the Commerce Committee, the Committee on Government Operations, the Interior

Committee, and, as of Monday believe it or not, the Judiciary Committee. They never had control of the Committee on Labor and Public Welfare. They have lost control of the Public Works Committee.

Therefore time is on our side. Unless catastrophe overtakes the liberals of both parties in the election of 1964, I predict that we are within striking distance of obtaining control of the committee system of the Senate for the liberal and forward-looking elements on both sides of the aisle.

Yesterday the majority leader, as reported at page 2565 of the CONGRESSIONAL RECORD, asked me to comment on whether the actions of the steering committee had revealed a constant pattern of bias in favor of junior Senators who had voted against cloture and to overlook the claim of Senators, frequently of greater seniority, who had voted for cloture. At that time I refused to make a statement one way or the other because I wanted to assemble the facts.

To my mind it would serve no useful purpose for me to make any charge or any statement one way or the other. However I have had prepared a table which shows the names of Senators on the Democratic side who sought committee assignments, what their first, second, and third choices were, and the position they took either for or against a change in rule XXII, and therefore, almost automatically, the position they took on cloture.

I will state only facts. I will not draw any conclusions. First I ask unanimous consent that a copy of the compilation prepared for me by my staff may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

STAFF MEMORANDUM TO SENATOR CLARK

Twenty-two nonfreshman Democratic Senators submitted eligible [1] bids for new committee assignments as shown below. The committees received, if any, and the position of each Senator on the rule XXII question, are indicated also.

Name	Committee assignments received	Choice	Position on rule XXII	
			For change	Against change
Bartlett	Appropriations	1st		X
Burdick	None		X	
Byrd (West Virginia)	Rules	No. 1 eligible		X
Cannon	Commerce (applied for Commerce and Finance)			X
Clark	Rules	No. 2	X	
Engle	None		X	
Hart	Commerce	No. 3	X	
Hayden	Interior	No. 1		X
Jordan	Public Works	No. 1		X
Lausche	None		X	
Long (Missouri)	do		X	
McGee	Post Office and Civil Service	No. 1		X
Moss	None		X	
Mansfield	Appropriations	No. 1	X	
Muskie	None		X	
Neuberger	do		X	
Pell	Government Operations	No. 2	X	
Proxmire	None		X	
Smathers	Foreign Relations	No. 1		X
Thurmond	None			X
Yarborough	do		X	
Young (Ohio)	Armed Services	No. 2	X	

CONCLUSIONS

1. Eight nonfreshmen Senators (BARTLETT, BYRD, CANNON, HAYDEN, JORDAN, MCGEE, SMATHERS, THURMOND) who opposed rules change submitted eligible bids for new committee assignments. Seven of them (88 percent) got new assignments. Six (75 percent) got the assignments which represented their first choice (only THURMOND was disappointed.)

2. Fourteen nonfreshmen Senators who favored rules change applied for new committee assignments. Five (36 percent) got new assignments (MANSFIELD, HART, PELL, YOUNG, and CLARK); only one Senator (7 percent) of the group—Senator MANSFIELD—got the committee which was his first choice.

Mr. CLARK. Mr. President, one who analyzes this statement for the purpose of determining the ultimate facts will see that eight nonfreshmen Senators who opposed a rules change submitted eligible bids for new committee assignments. Seven of the eight got new assignments. Six of the eight got new assignments which represented their first choice. Fourteen nonfreshman Senators who favored a rules change applied for new assignments. These were men who had voted for cloture. Five of the fourteen got new assignments. Only one got the committee of his first choice, and that was the majority leader.

Mr. PROXMIRE. Mr. President, will the Senator yield? This is a startling analysis.

Mr. CLARK. I will yield in a moment. These facts speak for themselves, and I will not draw any conclusions therefrom. I want to be very careful not to make any charges which will either inflame good friends of mine or result in my being charged with misrepresenting the facts. I now yield to the Senator from Wisconsin.

Mr. PROXMIRE. The Senator says that eight nonfreshmen Senators who opposed a rules change and supported the South submitted eligible bids for new committee assignments, and that seven of those eight got new assignments, and that six out of the eight, or three-fourths, got their first choice.

Mr. CLARK. The Senator is correct. This appears in the table that I have placed in the RECORD. The only nonfreshman Senator in this category who was disappointed was the Senator from South Carolina [Mr. THURMOND].

Mr. PROXMIRE. Then the Senator says that 14 nonfreshmen Senators who favored a rules change applied for new committee assignments, and that in sharp contrast whereas among those who voted with the South on rules change 88 percent, or 7 out of 8 had gotten an assignment they sought. Of those who voted against the South only 5, or nearly 36 percent, or 1 out of 3, got any new assignment.

Mr. CLARK. I might comment on that. The five were Senator MANSFIELD, who applied for Appropriations, and of course the majority leader was unanimously given this choice, which he deserved in terms of seniority; Senator HART, of Michigan, who, as I pointed out earlier, was saved by the bell from getting no new committee assignment at all; Senator PELL, who was shanghaied and given a committee he did not want to serve on, although I am sure he will render very valuable service there; Senator YOUNG of Ohio, who got his second choice; and I, who squeaked onto the Rules Committee by the skin of my teeth.

Mr. PROXMIRE. Only one of those Senators, or 1 out of 14, got the committee which was his first choice, and that was the majority leader. Is that correct?

Mr. CLARK. The Senator is correct.

Mr. PROXMIRE. The majority leader.

Mr. CLARK. Yes.

Mr. PROXMIRE. In other words, of all the Senators applying for a committee assignment in the entire Senate who opposed the South, only the majority leader out of the 14 got his first choice. In other words, all the others were turned down, whereas of the Senators who had voted with the South, six out of eight got their first choice. Is that correct?

Mr. CLARK. That is correct. I have to add a footnote, which is in the analysis I placed in the RECORD, that this compilation excludes the bids of Senators who were ineligible for the committee seats they sought because they already had so many major committee assignments that they could not be assigned to another one. Those Senators were: BYRD of West Virginia, MONRONEY, and SPARKMAN.

Mr. PROXMIRE. Then there was another elimination, which reinforces the objectivity of this analysis, and that is that the freshman Senators were eliminated from consideration in this particular analysis.

It was my feeling that many freshman Senators, regardless of seniority, should have been given their choice committees. The Senator from Pennsylvania properly left that out of his considerations. All the Senator from Pennsylvania is considering is why those Senators, not freshmen, failed to receive choice committee assignments. It seems to me the facts of the Senator from Pennsylvania are simply devastating in support—the Senator from Pennsylvania is not saying this: I am—of the position which I understood the Senator from Illinois [Mr. DOUGLAS] to take the other day, when he said that it may well be—I do not want to put any words in his

[1] Ineligible bids for the Space Committee were submitted by Senators BYRD of West Virginia, MONRONEY, and SPARKMAN.

mouth, either—that there was some consideration of the vote on rule XXII when the committee assignments were made. I do not know how anybody can read these figures without feeling that perhaps this is true.

Mr. CLARK. I make no charge; I have just stated the facts.

With respect to the freshman Senators, I point out that this resolution was not dependent in any way on giving them one first-class committee assignment. In my opinion, it could have been worked out so that they could have received two first-class committee assignments and still not have disappointed so many nonfreshman Senators in their ambitions.

Mr. President, I have several other matters to discuss; but because of the lateness of the hour, I shall terminate my discussion at this point and resume it tomorrow.

I thank the Senator from Illinois and the Senator from Wisconsin for their helpful intervention.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. CLARK. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 54 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, February 21, 1963, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate February 20, 1963:

IN THE MARINE CORPS RESERVE

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of brigadier general:

William H. Klenke

Harry N. Lyon

The following-named officer of the Marine Corps Reserve for temporary appointment to the grade of brigadier general:

Sidney S. McMath

HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 21, 1963

The House met at 12 o'clock noon.

Rev. Felix Maguire, assistant pastor, St. Lawrence Church, West Haven, Conn., offered the following prayer:

Almighty God, we honor today the Father of our Country, George Washington.

We thank You for sending him to us when we needed him. We thank You for keeping his image, his name, his memory, and his deeds a beacon to direct our leaders over the difficult paths they travel.

Grant that we show our gratitude not by mere words but by the clear reflection in our deeds of the virtues that inspired him: that we have faith in You, in our country, its leadership, its people; that we be confident of Your strength to carry us forward; that we have freedom wherever we find it; that we be prudent, just, temperate, and strong. We ask this in Washington's memory and in Your name. Amen.

THE JOURNAL

The Journal of the proceedings of Monday, February 18, 1963, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

GEORGE WASHINGTON'S FAREWELL ADDRESS

The SPEAKER. Pursuant to the order of the House of February 18, 1963, the Chair recognizes the gentleman from Utah [Mr. BURTON] to read George Washington's Farewell Address.

Mr. BURTON read the farewell address, as follows:

To the People of the United States:

FRIENDS AND FELLOW CITIZENS: The period for a new election of a citizen to administer the executive government of the United States being not far distant, and the time actually arrived when your thoughts must be employed in designating the person who is to be clothed with that important trust, it appears to me proper, especially as it may conduce to a more distinct expression of the public voice, that I should now apprise you of the resolution I have formed, to decline being considered among the number of those, out of whom a choice is to be made.

I beg you, at the same time, to do me the justice to be assured, that this resolution has not been taken, without a strict regard to all the considerations appertaining to the relation which binds a dutiful citizen to his country; and that, in withdrawing the tender of service which silence in my situation might imply, I am influenced by no diminution of zeal for your future interest; no deficiency of grateful respect for your past kindness; but am supported by a full conviction that the step is compatible with both.

The acceptance of, and continuance hitherto in the office to which your suffrages have twice called me, have been a uniform sacrifice of inclination to the opinion of duty, and to a deference for what appeared to be your desire. I constantly hoped that it would have been much earlier in my power, consistently with motives which I was not at liberty to disregard, to return to that retirement from which I had been reluctantly drawn. The strength of my inclination to do this, previous to the last election, had even led to the preparation of an address to declare it to you; but mature reflection on the then perplexed and critical posture of our affairs with foreign nations, and the unanimous advice of persons entitled to my confidence, impelled me to abandon the idea.

I rejoice that the state of your concerns, external as well as internal, no longer renders the pursuit of inclination incompatible with the sentiment of duty or propriety; and am persuaded, whatever partiality may be retained for my services, that in the present circumstances of our country, you will not disapprove my determination to retire.

The impressions with which I first undertook the arduous trust, were explained on the proper occasion. In the discharge of this trust, I will only say that I have, with good intentions, contributed towards the organization and administration of the government, the best exertions of which a very fallible judgment was capable. Not unconscious in the outset, of the inferiority of my qualifications, experience, in my own eyes, perhaps still more in the eyes of others, has strengthened the motives to diffidence of myself, and, every day, the increasing weight of years admonishes me more and more, that the shade of retirement is as necessary to me as it will be welcome. Satisfied that if any circumstances have given peculiar value to my services they were temporary, I have the consolation to believe that, while choice and prudence invite me to quit the political scene, patriotism does not forbid it.

In looking forward to the moment which is to terminate the career of my political life, my feelings do not permit me to suspend the deep acknowledgment of that debt of gratitude which I owe to my beloved country, for the many honors it has conferred upon me; still more for the steadfast confidence with which it has supported me; and for the opportunities I have thence enjoyed of manifesting my inviolable attachment, by services faithful and persevering, though in usefulness unequal to my zeal. If benefits have resulted to our country from these services, let it always be remembered to your praise, and as an instructive example in our annals, that under circumstances in which the passions, agitated in every direction, were liable to mislead amidst appearances sometimes dubious, vicissitudes of fortune often discouraging—in situations in which not unfrequently want of success has countenanced the spirit of criticism, the constancy of your support was the essential prop of the efforts, and a guarantee of the plans, by which they were effected. Profoundly penetrated with this idea, I shall carry it with me to my grave, as a strong incitement to unceasing vows that heaven may continue to you the choicest tokens of its beneficence—that your union and brotherly affection may be perpetual—that the free constitution, which is the work of your hands, may be sacredly maintained—that its administration in every department may be stamped with wisdom and virtue—that, in fine, the happiness of the people of these states, under the